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WANTED URGENTLY.

Copies of *The Australian Outlook*, Vol. I, Nos. 1, 2 and 3 are urgently required for new overseas contributors, especially libraries, to give complete files. The rapid increase in circulation, beyond our best hopes, raises the possibility of a serious shortage of the first three numbers in the near future. We should be grateful if readers who do not keep files would be willing to return their copies of these numbers to the Commonwealth Secretary, A.I.I.A., 369 George Street, Sydney.—THE EDITOR.

The Tenth Conference of the Institute of Pacific Relations.

L. F. Fitzbarding.

The Tenth Conference of the Institute of Pacific Relations at Stratford-on-Avon from 6th and 20th September was attended by over 80 delegates and observers representing twelve countries. For various reasons membership was predominantly western—half the members were included in the British or the United States delegations. The nationalist groups of South East Asia were not directly represented, though their viewpoint was to some extent expressed by observers from Burma and Siam. In the circumstances, the lion's share of the work fell on the two major delegations, which included a wide diversity of outlook and an impressive sum of recent first hand experience of Eastern Asia gained in many different capacities. Important contributions were also made by other delegations, notably the Chinese, Dutch and Canadians.

The basic theme was economic and social reconstruction in Eastern Asia. Wide as this topic was, it proved impossible to exclude political questions. Political stability, it was clear, was a prerequisite of any economic or social programme, and political factors would, to a substantial degree, determine its shape. After a preliminary session, the Conference divided into *Round Tables* on China, Japan, and South East Asia, in an attempt to see as a whole the problems of each geographical region. The results were pooled in plenary sessions. In the second week a further series of *Round Tables* discussed topics common to the whole area: agriculture, industrial development, education, technology and international economic problems. The results were again communicated to plenary sessions, and finally a series of plenary sessions took up the major problems which seemed to emerge: political unrest, food and population.

This account of the procedure will show the impossibility of giving a connected summary in the space available for this note. No attempt was made to formulate conclusions. The value of the meeting lay in the interchange of information and views among persons expert in some one or other part of the broader field, and

in the stimulus of informal discussion outside the conference room. For a full account of the discussions I must refer the reader to the official report shortly to be published in book form, and here I shall merely give briefly one or two personal impressions.

The immense material destruction and dislocation caused by the war dominate consideration of the whole area, with concomitant inflation and demoralisation. Such facts as that rice available for export from Burma, Siam and Malaya has dropped from seven million tons before the war to one and a half million, or that the volume of goods reaching the Yangtze waterway from the interior is only 10 per cent. of the pre-war volume, suggest vividly the magnitude of the problem. A vast capital investment is necessary to restore to the countries of Asia even the precarious standards which they enjoyed before the war. This investment is hindered by the political unrest which characterizes the whole area except, for the moment, Japan: nor can it be made on the old terms of either political or economic imperialism.

But even if pre-war standards could be quickly restored, the extreme lowness of the level of living over the whole area would still be a menace to world stability. Industrialisation on the western pattern does not, by itself, provide an answer: it may even, as in China, aggravate the evil if it is super-imposed on the traditional peasant economy and geared to exploitation for world markets. If the vicious circle is to be broken, new resources must somehow be brought into play in the East, comparable with the resources of the United States of America, Australia and Canada, which made possible the rise of living standards in the later (though not the earlier) phase of the industrial revolution in the West. Some delegates suggested that these additional resources might be produced by improvements in agricultural techniques, such as the use of artificial fertilizers. But this would involve displacing the peasant, who cannot afford to introduce new techniques. Some members looked hopefully at the industrial resources of inland China, partly revealed by the war. The inaccessibility of these resources and their remoteness from the coastal ports render their development difficult under the perverted export economy which has grown up from the contact of China with the West, but under an economy directed primarily to increasing the standard of living in China herself they might play a valuable part.

The most interesting suggestion, however, from a long range view, was that of a French delegate, a specialist in tropical geography. He pointed out that though certain parts were grossly overpopulated, this was not true of the area taken as a whole. And while the resources of the area were at present inadequate to sup-

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port its population, this was because all the civilizations in it were based on the cultivation of the plains, while the very large percentage which consisted of upland was scantily and inadequately exploited. There was urgent need, he suggested, for a programme of co-operative research directed to the fuller utilisation of the resources of upland Asia.

A good deal of consideration was given in most of the *Round Tables* to the position of Japan. It was felt that Japanese industry had played a considerable part in raising living standards in the area, and that no other country was immediately able to step into her place. She still had the technicians, the skilled labour force, the least damaged industrial equipment, and above all she had political stability, imposed by the occupation. From one point of view, the shortest cut to reconstruction would be the speedy re-establishment of Japanese industry as a source of badly needed consumption goods for the whole area. On the other hand, it was argued that Japan must not, because of her special position, be allowed to get a long start at the expense of the countries whose economies she had disrupted, especially China. Fears were expressed that Japan's apparent stability and her strategic position might lead to her being given priority by the United States which would restore her to something very like her old position in Asia, and misgivings were expressed in many quarters as to the current official optimism about her change of heart.

One final impression emerged very strongly. Australia is now, as never before, "in the Pacific", not merely in the obvious geographical sense. Our adaption of an ancestral culture to an environment foreign to it, our development of a national identity and outlook, imperfect as they are, have gone far enough to give us points of contact, small maybe, and often unexpected, with our neighbours who are trying to adapt their ways of life, based on an ancient traditional culture, to the pressures of international demands and western technology. The ferment in Asia must not be seen merely negatively, as "disorder": rather is it a dynamic process, the birth throes of a new "order". Far removed alike from the sources of western culture and from the material security of the United States of America, we are well aware of the weaknesses of western civilisation: of the difficulties of culture transference and the menace of crude technology. If western civilization, of which we are a part, is to remain a force in the world, it must be by constantly modifying itself, and this it can best do by contacts with other civilizations which, in other ways, are facing the same problems. This presents a challenge to Australia: it offers perhaps a justification for our claim to an independent voice in world affairs.

Political Development in South-east Asia.

1: The Philippines, Burma, Malaya.¹

A. H. McDonald

The independence movements of South-east Asia have brought colonial policies to the testing point. Broken in continuity by Japanese occupation and disturbed by the shifts in power of the nations during World War II, the colonial rule of this important region is challenged by the rising Asian nationalism, which has been quick to take advantage of the changing conditions. Decisions of basic colonial policy can no longer be avoided or deferred, and statesmanship has to make definite judgments in an uneasy, complicated situation. The very difficulties of analysing the issues call for an attempt at analysis.

To cover all the problems of South-east Asia is beyond the scope of this paper, which takes one aspect: the process of political development in South-east Asia by which the present situation has come about; so that by this analysis we may judge more accurately the forces at work in the political field. The evidence from the different areas points to a common process of development according to the following formula representing four stages:

First, the colonial Powers introduced certain representative institutions and allowed the definition of nationalist programmes, in a way that could assist development towards self-government—in varying degree. The form of these institutions had real political content according to the degree of administrative control or emergency power retained by the colonial Power. The Japanese threat early in World War II led to further concessions or the promise of concessions.

Secondly, the Japanese took over and developed further, in form, these representative institutions and nationalist programmes, but allowed no real political content within the forms of these institutions.

1. The second part of this article, treating Indo-China and Indonesia, will appear in the next issue.

Thirdly, on the Japanese collapse, these representative institutions and nationalist programmes therefore still stood—in form; associated with them were the local leaders who had survived (by one method or another) the Japanese occupation. Where the colonial Powers returned slowly and weakly, as in Indonesia and Indo-China, the nationalists were now able to put into the forms of these institutions, thus left empty, the real political content of their own independence movements. The Japanese purposely gave them every opportunity to do so. Where the colonial Power returned in strength, as in the Philippines and Burma, but immediately fulfilled its earlier promises, the nationalists were equally ready to set their own policies in action. Even where, as in Malaya, Asian nationalism had previously not been significant, the effect of the War on local feeling produced important political results.

Fourthly, even in countries where, as in the Philippines and Burma, the nationalists have gained political independence, the economic and social complications left by colonial rule, new economic pressure, and the questions of strategic security may still gravely diminish the real content of their political institutions. Where, as in Malaya, Indonesia and Indo-China, the colonial Power is slower in granting independence, these inevitable difficulties provide the reason or the excuse. In these circumstances, however, the newly freed country does not differ essentially from any small nation struggling in the aftermath of a total war to regain its economic and social balance and strategic security and to establish its position in the world; the problem, though colonial in origin, is no longer strictly colonial in character.

The Philippines.

In establishing and applying this formula, we shall best begin with the Philippines.² There is no need to treat in detail the early motives and development of American political trusteeship in the Philippine Islands or the steps, marked by American changes and Filipino consistency in policy, which led to the Tydings-McDuffie (Philippine Independence) Act of 1934 setting up the Commonwealth of the Philippines in 1935. The Act gave the Commonwealth of the Philippines a full measure of self-government and provided for the establishment of an independent Republic of the Philippines on July 4, 1946.

Owing to the real political content of this development in the first stage, the Japanese on occupying the Islands—in the second

2. The author acknowledges his debt to the study of the Philippines by T. Inglis Moore in the A.I.I.A. Data Paper on *Dependencies and Trusteeship in the Pacific Area* for the 1947 Institute of Pacific Relations Conference.

stage of our formula—found little nationalistic dissatisfaction to play upon. Their declaration of the "independence" of a "Republic of the Philippines" in October, 1943, added nothing in form and withdrew much in political power by comparison with the development under the United States. The Filipino puppets of Japan did not represent any substantial support from the population. Then—in the third stage—the Americans returned, and the freedom of the Philippines was declared punctually on July 4, 1946, the due date, with an impressiveness all the more striking for the catastrophic intervening events.

The inevitable complications of even liberal colonial policy under economic pressure then emerged to view in the fourth stage. The Tydings-McDuffie Act had provided for economic adjustment to independence during the ten years' transition period by a graduated series of tariffs and quotas; but the task was clearly proving too difficult even before the Japanese occupation cut it short. Since the war economic and strategic considerations have, through the Bell and Tydings Acts of 1946, limited the effective independent rights of the Philippines. Designed to assist immediate Philippine recovery, this legislation lays down currency and tariff conditions, provides for quotas and graduated tariffs, and directly allots quotas amongst pre-war producers.

This last measure, it can be argued, deprives the Philippine Government of a sovereign prerogative and determines a return to the pre-war economic pattern with its obvious faults for true independence. Also, United States citizens and capital gain equal rights with Filipinos, although the latter do not enjoy similar reciprocal rights in the United States. This measure required incorporation of its provisions in the Philippine Constitution, thus bringing economic pressure to bear on political arrangements. The result has been American support of Philippine groups which acquiesce in these relations, and intensification of political divisions within the country. The establishment of American military, naval and air bases in the Philippines (March, 1947) follows the strategic necessities of security.

Now on legal grounds and in the light of immediate needs, these measures may be, in part, justifiable; but they limit genuine independence and perpetuate colonial distortions of the Philippine economy. It would be wrong to argue, cynically, that the United States made the grant of political independence on the assumption of retaining economic domination. Changes of American policy and the manoeuvres of American commercial interests point to lack of co-ordination rather than to modern Machiavellianism; and the

force of circumstances in the post-war Pacific must be borne in mind. But the consequence is clear: that for colonial Powers to disengage and for colonies to set up independently, in present world conditions, is a complex and difficult process at the very moment when superficially it appears complete.

So much for what has been acknowledged as the most successful example—politically—of modern colonial progress to independence. Our next case is Burma, which is now entering on the stage into which the Philippines is fully committed.

Burma.

By 1937 Burma (under the Government of India Act of 1935) with its own Constitution occupied a position intermediate between India and the Dominions. From 1939 onwards Britain spoke of Dominion status for Burma. Burmese nationalists pressed for immediate Dominion status, requiring (in 1940) a definite promise of a "due place as a full self-governing and equal member of any commonwealth or federation of free nations that may be established as a result of the war"; but Britain refused to discuss the matter during the War.

Thus Burma was well advanced in the first stage of development, but not far enough to satisfy the strong nationalists; and the Japanese—in the second stage of our formula—were able to make a wider appeal than was possible in the Philippines. In August, 1943, the "independence" of Burma was proclaimed, and Burma became an "autonomous" part of Greater East Asia, in alliance with Japan and at war with Britain and the United States of America. Japan, therefore, in form if not in real political content, added to the earlier development of Burma under British policy.

Returning in victory over Japan, Britain opened the third stage of development by proposing a plan for Burmese political advancement in three steps:

- (i) restoration of normal living conditions;
- (ii) restitution of the 1935 Constitution, as a basis for drawing up a new Constitution;
- (iii) full Dominion status.

Logical though this may have seemed to those who accepted Britain's claim to be carrying out trusteeship principles, the Burmese nationalist leaders demanded more rapid political progress while the situation was still fluid. They rejected any advantage of direct British administrative help in economic rehabilitation in favour of taking the initiative themselves in shaping the new social order. Britain

met their demands and proposed an interim Government, elections for a Constituent Assembly, and so the establishment of a permanent Government; and promised some financial help during the transition. Burma was to decide herself whether she should become a Dominion or leave the British Commonwealth.

The elections of April, 1947, put the Anti-Fascist People's Freedom League in power, and the Constituent Assembly passed a Constitution Bill (September, 1947) setting up a Union of Burma as an independent republic; it includes the Shans, Karens, Kachins and others previously under British administration. By the Anglo-Burmese Treaty (October, 1947), ratified by the Burmese Independence Act, Britain has formally provided for Burma's independence as from January, 1948, and established defence and other mutual arrangements between Britain and Burma, with help in the form of credits and arms. Thus the third stage of Burma's political development (according to our formula) is complete.

Burma is now in the fourth stage, with all the economic and social problems of emergence from colonial rule and the destruction of war. Rice mono-culture had always placed the peasant at the mercy of fluctuating rice prices, which gave the Indian and Chinese money-lenders undue financial power. Commercial development was directed by British companies dealing in oil, mining, timber, shipping and rice exporting; trade relations with India were a weighty factor. The Japanese occupation and defeat left Burmese life upset, lacking even elementary public utilities, especially transport. The injury to rice export struck at the very basis of the Burmese economy, and Burma's commercial recovery will be slow. Long-term questions of security are also serious, since Burma lies in a key strategic position between India and China.

These are the problems facing a country politically independent and free of British commercial control, but susceptible to the pressure of political and economic conditions in East Asia. The Burmans have their future in their own hands as the Filipinos have not. They will deal with agrarian reform, the place of Indians and Chinese in their economy, their trade relations and foreign political connections, as they judge best in their own national interests. Yet Burma lacks the strength and trained personnel to carry out rapid measures of immediate recovery. Is Burmese independence, then, merely the freedom to collapse? Or is it better for Burma to suffer now in the hope of genuine independence later, rather than be tied, like the Philippines, by immediate benefits to a course of policy perpetuating her economic dependence?

This is the dilemma of independence of small nations in general. The answer depends upon the quality of their leaders, the popular

support they receive, and the regional and international conditions, political and economic, in which they have to struggle for their position. Having defined this problem, we may now take up the case of Malaya, which is in the third stage of our formula, with diverse elements of local nationalism emerging in new political rivalries.

Malaya.

Before the War Malaya was in an early stage of political development. The vast economic progress of the country was due to foreign capital, management and labour, British, Chinese and Indian. British policy was limited to the administrative field, without control of the major economic and social developments which left the Malays a minority, not only in numbers but in significance, in their own country. Malayan nationalism by itself promised little for the political advancement of Malaya, since the States could not cope with modern conditions; yet Malaya could not be handed over to the local Chinese and Indians, a great number of whom (despite the loyalty of Straits-born Chinese) were immigrants, keeping their ties with their country of origin, remitting money and hoping to return home. Britain maintained political control over these diverse elements in the Straits Settlements (as a Crown Colony) and in the Federated and Unfederated Malay States. British policy, in the absence of united local sentiment, made no move towards political change in its first stage.

The Japanese occupation—in the second stage of our formula—was bound similarly by Malayan conditions. The Japanese tried to gain Malayan, Chinese and Indian support by varying mixtures of persuasion and harshness; but military operations in the "Southern Regions" required direct control of Singapore and Malaya. There was no basis in previous development and no scope in the existing conditions for a high-sounding declaration of independence.

On their return—the third stage—the British decided to tackle the social problems of Malaya's economic development by political readjustment and co-ordination. Two major needs presented themselves: first, to establish a united system of government, free of the delays of indirect rule, in order to handle the post-war situation efficiently and allow progress towards self-government; secondly, to bring together in citizen rights, without discrimination of race or creed, all those who had made Malaya their homeland.

The British plan (first announced in October, 1945) was for a Malayan Union of the Federated and Unfederated Malay States, keeping Singapore (on account of its special strategic and economic position) as a Crown Colony. Malayan citizenship was to be liber-

ally granted to all who were qualified by birth or a suitable period of residence.

The proposals were logical, if one accepted Britain's claim to be following trusteeship principles and long-term aims of unification; but they were open to objection by the Malayan rulers, whose local rights were diminished for the advantages of common development. Britain underestimated the political and psychological effects of the break in her administration and the Japanese occupation. Under the Union the Sultans were to lose administrative rights and jurisdiction to the central authority of the British Crown, their States becoming territorial subdivisions of the Union. The broad basis of citizenship would give political power to Chinese and Indian groups which already exercised economic predominance. The result—after initial acquiescence by the Sultans—was strong Malayan reaction against the plan; and Britain replaced her unitary proposals by a federal scheme.

The plan for a Malayan Federation (announced in July, 1947) proposed a Federation of the Malay States and Settlements (still excluding Singapore) under a British High Commissioner, who would have full powers in matters of defence and external affairs; there were to be a Federal Executive Council and a Federal Legislative Council. A Conference of Sultans was to meet the High Commissioner at least three times a year. Each State would have its own Executive Council and Council of State—the latter to be, in effect, a Legislative Council—and the Sultans would be bound to accept the advice of the High Commissioner on all matters except those relating to the Moslem religion and Malay custom. The qualifications for citizenship were restricted so as to exclude "birds of passage," in particular Chinese and Indian immigrants.

This change of policy satisfied the main body of Malayan opinion, but aroused the anger of the large Chinese group, with its important place in Malaya's economic development. The British proposals provided for consultation with the non-Malay groups before the form of the Federation was finally decided, and this opportunity to protest has led on to active opposition by Chinese and Left-wing organizations. The constitutional difficulty, which earlier created little interest, has become a burning question, intensifying the racial, social and economic division of the country. The result is to complicate the issue of advancement in Malaya towards unification and self-government.

Malaya illustrates the third stage of our formula at an early point of development. The Malays are still under their Sultans in a position that can be improved only very slowly in their Councils of State. The power of the Sultans is limited by the authority of the

High Commissioner as well as, in effect, by their own political ideas. General representation is given by the Federal Legislative Council alone, and here the influence of non-Malays depends upon the extent to which they qualify for citizenship. Even in form, certainly in content, political control at present rests with Britain.

Yet the rising local nationalism, both Malayan and Chinese, has reached a level from which it is unlikely to recede. If Malays and Chinese reach agreement, their unity will both make claims and put pressure on Britain to speed up the process of political advancement. If they continue in rivalry, the position will depend not only upon their relative strength but upon the interest of outside nations e.g. China, in them. Britain's ability to control events will be determined by her own power and the international situation.

At the best Malaya could establish commercial and industrial conditions in this third stage that might solve in advance many of the economic problems normally associated with independence—in the fourth stage. At the worst Malaya could become the Palestine of the East. Two factors will determine the issue: first, the political wisdom of the rival groups and their supporters outside; secondly, the capacity of Britain to follow her constitutional compromise with a dynamic economic and social policy drawing all groups together in its course.

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We may now sum up our conclusions regarding the process of political development in the countries we have discussed. Despite its pre-war quiescence, Malaya has been aroused to nationalist expression, Malayan and Chinese; in this disunity British control continues. Politically independent, the Philippines is still subordinate to the United States of America in economic and strategic matters, and will continue so. Both politically and economically independent, Burma faces the basic problems of order, recovery and security, which she must solve—or collapse.

Political advancement is threatened in its moment of success by two dangers. In a world full of ruin and uncertain of its physical and economic security, a newly independent country—like the Philippines—may accept help for immediate recovery at the expense of re-orientation and its future prospects. Or—like Burma—it may begin re-orientation and plan future progress without the immediate help necessary for the opening of this development. Help is given with strings or rejected through fear of strings. If this is the fact, or the feeling, in circumstances of political success, it is more bitter under stress of political strife, which we shall study in Indo-China and Indonesia.

(To be concluded).

Australian Policy Towards Japan.

N. D. Harper

Australian policy towards the Pacific powers in the pre-war period arose primarily out of her position as a small Pacific power with a large but thinly settled territory. It was related also to an appreciation of the difficulty of maintaining a high standard of living and a provocative immigration policy in an area geographically on the borders of the East. Security depended in the last resort upon external military aid, primarily from the British Commonwealth of Nations. In consequence, Australian policy has been one of close collaboration with Great Britain, although tentative attempts were made in 1937 to strengthen Pacific security through a regional pact to check aggression. Apart from security, Australia's basic interests in the Pacific have been primarily economic. Despite limited investments in gold, tin and rubber in South Eastern Asia and the Pacific, her interests have been of a commercial rather than of an investment character. With European markets probably inelastic as a result of demographic changes, she began to concentrate on trade within the Pacific area. The gradual shift in the centre of economic gravity from the Atlantic to the Pacific, reflected partly in the reorientation of Japanese trade to Asia and America, confirmed her attitude. The gradual shift in her own economy from primary to secondary and tertiary industries also confirmed this shift in economic interests. Problems of security and commercial expansion before 1941 were thought of primarily in relation to Japan.

Australia's attitude to and policy towards post-war Japan are affected in large measure by the fact of Japanese aggression in the South West Pacific, which brought home more clearly than ever before the vulnerability of Australia to external attack and has strengthened the basic preoccupation of Australian policy with security. Heavy military losses and the brutal treatment of Australian prisoners of war have produced a bitterness not felt towards Germany and Italy. Another factor is the changed outlook of Australia on world affairs. Australian participation in many theatres of a global war and her struggle for survival have led to a growing

insistence on a larger share in determining British Commonwealth policy in the Pacific region. This growing Australian nationalism has been expressed most vigorously by Dr. H. V. Evatt in Canberra and at a series of international conferences. Strong exception was taken to the action of the Big Three at Cairo and Potsdam in taking important decisions affecting the Pacific without any consultation of Australia. Australian insistence upon greater responsibility and consultation which, in April 1942, had resulted in the creation of the Pacific War Council, later led to the appointment of an Australian as Commander to B.C.O.F. and the nomination of Mr. Macmahon Ball to represent the British Commonwealth of Nations on the Allied Council in Japan.

Australia's basic interest in the post-war as in the pre-war Pacific is in security. "As the great meeting ground of western and eastern interests" she is concerned "in establishing such a system of security as will prevent for all time a resurgence of Japanese aggression." Australia is today committed to the fullest support for a system of collective security through a United Nations Organisation which, in the opinion of many people, should have the backing of an effective international military force. But "there is much room for a regional as well as a global attack upon the problem of security." "Our emphasis is on Pacific security . . . patterned within the supreme objective of world security." The quest for regional security is seen in the ANZAC pact. Schemes for regional security envisage close co-operation with the United States of America as the paramount power in the Pacific with whom there is some considerable measure of identity of interests. But all plans for area arrangements and regional security are closely related to the "strengthening of ties with the British Commonwealth and the development of British Commonwealth security arrangements."

Australia's present policy towards Japan can be summed up as full support for the Potsdam declaration, the White House statement of September 26th, 1945, and the recently revised Far Eastern Commission Basic Policy document. The primary object is "the total elimination of militarist influence and the removal from positions of influence in business as well as political life in Japan of all those who led the people of Japan into aggressive warfare." In addition, she supported the rigorous punishment of war criminals, the smashing of the Zaibatsu and the promotion of trade unionism "as a cardinal principle of allied policy in Japan."

The problem of Australia's security in the Pacific is related to the probable power balance, and this in turn basically affects and is affected by the kind of economic structure of post-war Japan. It is

impossible completely to divorce the two problems: any system of post-war security must be based upon the relative military power and economic resources of the Pacific states.

The Pacific power structure has been profoundly modified as a result of the changes of the war period.

(1) *The decline of effective British influence in the Far East.* Lord Addison, at the recent British Commonwealth Conference at Canberra, declared emphatically, "we have close and great interests in the Far East. They are interests which are old established and which have penetrated throughout this great area. They are interests which of course we seek to maintain and preserve"; interests which Britain has no intention of allowing to go by default. But the war has brought a drastic decline in her overseas investments and a modification in the balance of industrial power within the British Commonwealth of Nations. In the post-war period, industrial production has been hampered by a labour shortage and the need for re-tooling British industries, as well as being complicated by the political move to socialisation and the dollar crisis. The development of atomic and rocket projectiles has made Britain peculiarly vulnerable to military attack. All these changes seem to indicate that she will be unable to play a permanent and major role in the balance of Pacific power, despite her considerable moral influence.

(2) *The emergence of the United States of America as the greatest military and industrial world power.* The war has confirmed and extended the creditor position of the United States of America which has become the main potential investing power in the East. She has also emerged from the war with the greatest industrial potential in history: problems of full employment of capital and labour to avert a major internal slump with world wide repercussions make it essential for her to expand overseas markets. The expansion of markets is closely related to problems of communications, and of strategic air and naval bases in the Pacific. It is perfectly clear that America in policy has become an expanding imperial state with every intention of playing a major role in Far Eastern affairs. The increasing instability of China may well lead investors to divert capital to Japan.

(3) *The emergence of Russia as a major Pacific power.* The development of transport facilities in Siberia (the double tracking of the Trans-Siberian railway, the construction of a branch line to Sovietskaya, the development of trans-polar flying and the expansion of internal air lines), the construction of a string of heavy industrial plants from the Urals to Lake Baikal, and the shift of population (approximately 30 millions east of the Urals) have all altered

Russia's power potential. Pressure to find outlets for surplus capital and extensive overseas markets is virtually non-existent: there is no prospect of Soviet participation in a struggle for markets or for investment opportunities. Russia's problem is one of military security, a security to be obtained by the annexation of the Kuriles, and by ideological penetration of neighbouring states to give a broad frontier zone which will act as buffer states in the event of military aggression. Russian defence strategy is partly dominated by pre-atomic ideas.

(4) *The role of China in a power set up is difficult to ascertain.* Theoretically, China should become the real centre of gravity in the Far East, but before this is possible internal political stability must be achieved. Political stability is closely related to the economic development of China which appears possible only through considerable foreign investment.

(5) *The weakening of Dutch power in the East Indies.* The Dutch islands have been regarded as a protective screen for the north Australian coast and the weakening of Dutch power here has strengthened Australian pre-occupation with regional security in the Pacific.

The problem of Japan is complicated by the tension between the United States of America and Russia. The increasing tendency for the United States to seek global security by policies of hemisphere defence and the injection of capital into weak European states is closely paralleled by a preoccupation with the problem of Far Eastern security in terms of defence against Russia. The fear of Russian aggression, and the development of "tough" diplomacy towards Russia is reflected in the only too evident American preoccupation with Japan as a strategic area in a possible American-Russian conflict. All the evidence seems to point to the American determination to create a powerful, conservative Japan which can act as an American Far Eastern bastion against Russia. Japan is clearly aware of this tension and of the possibility of playing off the two powers against one another: the net result may well be the emergence of a new and powerful Japan which could resume the old militarist policies. The problem for Australia is this: how far in a dynamic power set up in the Far East should she support American political policy, now that Britain's effective Far Eastern power has been so drastically curtailed? If such a policy were adopted, is it subject to the possible long term risk of a revival of American isolationism, and a rapid withdrawal from effective participation in Far Eastern politics, leaving a militarily strong Japan in a position to resume her colonial policies? Will Australia, by backing American policy, be involved

in an American-Russian conflict, directly, or indirectly by reciprocal provisions for the use of Pacific bases? The problem becomes an immediate one in terms of the reorganisation of Japanese political and economic structure, of the re-education of Japan and the overhauling of the whole educational and religious structure. The effects of the twelve months' screening of Japanese officials as reflected in the results of recent local government elections appear to indicate that America has been peculiarly successful in rehabilitating the conservative groups.

The rapid progress of the demilitarisation of Japan, her geographical disarmament through the loss of potential springboards for aggression against her neighbours, have gone far towards solving the short term problem of security for Australia. From a long term point of view the whole power set up is intimately affected by the kind of economic policy pursued towards Japan. It is impossible to separate completely long term and short term economic and political objectives. The general principles of the economic settlement have been agreed upon in the Potsdam agreement and the basic initial post-surrender directive of the Far Eastern Commission: the destruction of the economic basis of Japanese military strength, the elimination of potential war industries, and her restriction to industries necessary to sustain her economy and facilitate the making of reparations. The reorganisation of industry and agriculture were to be basically related to problems of social structure and the development of political forms which would preclude the revival of aggressive military policies. Accordingly, the long term economic policy envisages "access to as distinguished from control of raw materials," and "eventual Japanese participation in world trade." These principles of economic settlement must be read alongside certain other general statements of economic policy which presumably will also influence Australian policy towards Japan. There has been a constant emphasis upon the need for international collaboration to secure full employment and social security as vital measures to prevent the recurrence of aggression.

How can these economic policies be applied, and what will their effect be upon Australia's economic relations with Japan? A basic problem affecting the long as well as the short term economic policy towards, and the position of, Japan, is the effect of the restriction of Japanese sovereignty under section 8 of the Potsdam agreement to the islands of Honshu, Hokkaido, Kyushu and Shikoku as well as minor outlying islands. The dynamics of the problem of Japanese expansion and external trade policies are to be found in the problem of alleged pressure of population upon resources. The

loss of the outlying dependencies of Japan will involve the loss of approximately 30 per cent. of the population of the old Japanese empire. The rate of increase of population was greater in the dependencies than in Japan proper. The pre-war population of 1940 of 73,075,000 had dropped to 71,998,000 in 1945, but rose to 73,114,059 last year. Recent estimates of the Economic Stabilisation Board show a population of 79,460,000 by the end of 1950, i.e. an annual population increase of between 1 and 1½ millions a year. A study of age distribution tables for present population shows a fall of approximately 1¼ millions in the 25-34 year group with its effects upon the composition of the labour force.

It is difficult to determine the economic consequences of the territorial limitation of Japan. Manchuria, Formosa, Korea, Sakhalin were integrated to the whole Japanese economy. The reduction of territory will limit supplies of raw materials, reduce profits and capital accumulating from overseas trade, and will force Japan to trade under new and less profitable conditions, as well as increasing the urgency of finding new markets. The effect on Japanese food production is equally difficult to determine.

The Japanese economy is a predominantly agrarian economy, and a substantial proportion of this increase will have to be supported by agriculture unless a major expansion of industry occurs with a considerable transfer from rural to industrial occupations. Japanese agriculture has contained many vestigial feudal remains as a result of the Meiji land settlement. This position, together with a determination to establish peasant proprietorship as a basis for agrarian democracy, inspired the Rural Land Reform Act of 1946. But the proposal to establish an agrarian economy on the basis of peasant proprietorship will not increase productivity materially and will not absorb a substantial proportion of the population increase. This will involve a redistribution of income facilitating an expansion of the home market and modifying the dangerously unstable and top heavy economic structure. It will do something to end the dangerous cleavage between a 17th century rural and a 20th century industrial economy within the community: this cleavage between rural and industrial Japan has been a main source of pressures affecting Japan's external policy. Mechanisation of agriculture and the extension of peasant co-operatives as well as the development of adequate credit facilities would expand production a little. But capital would have to come from industry.

The problem of Japanese industrial development is for the short period at least determined by the United States decisions on Basic Policy. Military and economic disarmament, together with repar-

ations, are designed to complete the destruction of heavy industry begun by the bombers. Japanese deficiencies in industrial raw materials, petrol and power have been intensified by the decision to restrict her territorially to the four main islands. But these decisions have not been related to the development of the economy as a whole. The lack of certain heavy industries and of chemical plants may well jeopardise the whole economic structure and produce a collapse of living standards which will undermine the whole of the new democratic political structure: hunger and inflation are the real threats to a democratic Japan.

A basic factor in Japanese aggression lies in the fact that Japan has been controlled by a small interlocking oligarchy of industrialists, bankers, landlords, militarists and bureaucrats who have controlled the autocratic political structure of Japan. Parallel to the highly centralised political autocracy has been the economic concentration of power in the hands of the older and newer *Zaibatsu*. It is obvious that for political and military reasons it is impossible to permit a monopoly of economic power to continue in the hands of Japanese monopoly finance capital. During the war the *Zaibatsu* probably trebled their peace time assets. Accordingly S.C.A.P. policy has been directed towards their liquidation. But to destroy the economic co-ordination achieved by the *Zaibatsu* would be wasteful and create difficult problems of ownership and production. The position is further complicated by the extensive purges carried out by S.C.A.P. Political purification will probably result in a considerable loss of administrative efficiency. It is true that the relatively chaotic condition of Japanese industry will also give a breathing space for the training of the younger men who have been associated with top-ranking *Zaibatsu* executives. There is, however, considerable evidence to show that the Japanese tendency to corporate decisions on matters of policy persists, with many of the older *Zaibatsu* influencing policy behind the scenes. The nationalisation of the key *Zaibatsu* industries and the development of a planned Japanese economy would provide a partial solution to the problem of a Japanese economic recovery. It is obvious, however, that such a solution could have awkward political repercussions in United States politics, and for this reason S.C.A.P. has been very reluctant to adopt it. It is equally obvious that it could aggravate security problems after the withdrawal of occupation forces if the experiments in political democracy failed and a reactionary government took control of a nationalised economy.

If Japanese heavy industry is to be destroyed or to be relegated to a secondary position, it becomes essential for the development

of a healthy and stable economy that Japanese light industries be developed. Only in this way will it be possible to absorb the excess population and to prevent the transformation of Japan into a weak and impoverished agricultural nation which would become a depressed colonial area threatening Pacific security. In 1939 Japan had approximately 12 million spindles in the cotton textile industry, 9 million of them in use. The United States has been very reluctant to encourage the rebuilding of Japanese export industries on the basis of cheap labour, and S.C.A.P. has consistently refused to formulate a general textile policy. The need for economic recovery, the political danger of extensive unemployment, and the need for paying for food imports have led to the shipping of 650,000 bales of cotton from the United States by September, 1946 (as compared with 3,000,000 bales in 1938). Cotton piece production for September rose to 35 million.

The gradual recovery of Japanese light industry has been hampered by the lack of any firm policy regarding reparations and the seizure of machinery as part of this programme. At the same time it has raised the issue of the revival of Japanese overseas trade. The Potsdam Declaration and the Basic Policy Directive provided for access to, but not control of, raw materials, as well as eventual participation in world trade relations. In the interim period "Japan shall be restricted to the maintenance of those industries which will sustain her economy and permit the exaction of just reparations in kind." The responsibility of the occupation authorities and of the Japanese Government to maintain food levels has necessitated considerable imports of foodstuffs (600,000 tons in 1946) and estimates for 1947 indicate that 1.64 million metric tons of food would be needed to maintain rations. The recovery of Japanese industry depended in part upon imports of raw materials as well as foodstuffs to enable workers to maintain production. To deal with these and allied problems, F.E.C. has established (October 10, 1946) an Inter-Allied Trade Board to deal with the allocation of raw materials for Japanese industry, and above all to allocate Japanese textile exports and exports of raw silk. The expansion of Japanese trade has become a matter of urgency, partly because of United States' fear that Japan would become an economic burden and partly because of the real need to improve economic conditions in Japan if the new political structure were to succeed. The best argument in favour of democracy is obviously rising employment and rising standards of living. But the continued expansion of light industries is dependent upon the purchase of raw materials. The demand for raw wool for the domestic clothing industry is considerable and Japan could probably consume 150,000 bales of wool

at present (approximately one-third of the pre-war demand).

Australian policy on the question of trade resumption is a cautious one. There is on the one hand the declared policy of support for the principles of maintaining full employment, and for removing the economic causes of tension between nations as a means of furthering world peace. But the application of these general principles to Japan is a matter of some difficulty. Australia accepts the Potsdam Declaration and the Basic Policy Document and also recognises the need for the gradual resumption of limited trade to achieve immediate occupation objectives and to give some sounder economic basis to the new political and social structure in Japan. Initial United States policy and S.C.A.P. control of short term pre-peace policies envisaged merely an interim arrangement whereby Japan could purchase current requirements of raw materials needed for initial recovery and pay for them by approved exports through the Inter-Allied Trade Board. But experience of the difficulties of economic recovery led S.C.A.P. to suggest in a broadcast on January 11th, 1947, that trade be resumed as early as possible and that the Japanese economy be directed towards export production. This changed attitude reflects a growing belief in the efficacy of existing control measures and in the basic success of the democratic policy in Japan. It also reflects an unwillingness to assume greater and continued responsibility for the rehabilitation of the Japanese economy. It is also based on a belief that the United States is in a favourable position to take advantage of trade resumption.

Australia differs from the United States on the question of the timing of this resumption of trade. There is a firm belief that this should follow the working out of agrarian reforms and the rehabilitation of light industry to meet domestic demand. The implementing of S.C.A.P. policy prior to the conclusion of a peace treaty would probably consolidate the monopolistic position of the United States in relation to Japanese trade. There is a feeling that Inter-Allied Trade Board and S.C.A.P. policy in general have been achieving these ends. A further consideration is the extensive popular prejudice in Australia against a resumption of trade. The unilateral S.C.A.P. extension of the sphere of Japanese whaling aroused considerable protest, a protest related to questions of strategy (a fear for example that this might be the thin end of the wedge which would allow Japanese pearlers to operate in Northern Australian waters) as well as to current anti-Japanese feeling. There is, further, the feeling that the resumption on a large scale of wool exports to Japan would be followed by increasing competition for Australian woollen textiles in Far Eastern markets, and a real fear

of the revival of the competition of cheap Japanese cotton piece and rayon goods in the Australian market.

From a long range point of view, as well as a short range point of view, it is essential to ensure the economic rehabilitation of Japan. The growing unrest arising from unemployment, falling real wages through uncontrolled inflation and widespread black marketing, the increase in political and industrial strikes emphasise the need for a fairly rapid expansion of trade relations. Exports to raise living standards, to secure fuller employment and to assist in the establishing of the economic basis of democracy are essential in the interests of Pacific security. Such a policy would also allay United States fears of the extension of Communist influence in Japan. The expansion of trade in the period 1931-7 indicates the potentialities of Japan as a market for Australian wools. The abolition of militarist control largely responsible for the restriction of Japanese wool buying 1937-41 and the probable decline in the consumption of artificial staple fibres should facilitate a steady resumption of Australian exports. The market for Australian wheat is probably a limited one, but with the curtailment of heavy industry in Japan, the market for Australian steel and engineering products may expand because of the competitive efficiency of the Australian steel industry. The expansion and diversification of Australian exports not only to Japan, but also to East Asia, is of the utmost importance in view of a possible revision of Ottawa Agreements, and more particularly because of the gradual limitation of the United Kingdom market through the altered world economic position of Britain and because of the stabilising of her population. The problem of imports from Japan is related to the raising of Japanese living standards and of production costs through the achievement of better labour conditions by the expanding Trade Unions. The expansion of the Australian market for cheap textiles and other products of Japanese light industry would be an essential condition for the resumption of exports. In view of the acute shortage of rayon and cotton goods, such a policy seems highly desirable from a consumer's point of view. Over the long term, the question of a carefully regulated flow of Japanese textiles is important: the great evil of Japanese trade expansion in the 'thirties was the tidal wave of goods in restricted categories which seriously affected some branches of trade, but the special circumstances producing this expansion of trade are unlikely to recur. It is of basic importance to Australia to press for the rapid reconstruction of Japanese light industries, if only because "we cannot afford to stifle Japanese competition in the export market by means which would impose on us a corresponding if not a greater burden."

The economic reconstruction of Japan is intimately bound up with the whole power political balance in the Pacific. The revival of a stable Japanese economy is vital to the Pacific balance. A weak agricultural and colonial Japan would be a prey to internal unrest and subject to political revolutionary movements. Australian interests are up to a point identical with those of the United States here, but only up to a point. The social basis of the Japanese political structure must be broadened. A too rapid recovery and a United States military withdrawal from a Japan rehabilitated by American capital would be fatal. There is a real danger that the too rapid injection of American capital would strengthen the pseudo-democratic elements, elements that are basically conservative. (The local elections in April and May indicate the very limited success of the political purges effected by S.C.A.P. often through inexpert screening committees.) This could result in the establishment of a Japanese Government anxious and perhaps able to play off the competing ideological and strategic interests of the United States and Russia in this area, thus increasing the political instability of the whole Pacific area. Yoshida, the Japanese Premier, recently deplored the idea of a rapid American withdrawal. "We are having our battles with the Communists too, and we have a dangerous enemy to the north. . . . I am not acquainted with the strength of the United Nations." Suggestions have been made that "in view of the 'very dangerous enemy to the North,' Japan be allowed to maintain an army of 100,000 and a small air force."

Australian policy has been steadily moving towards closer collaboration with and an acceptance of the American point of view with regard to the Japanese peace settlement. Dr. Evatt's fact-finding mission to Japan and the resignation of Mr. Macmahon Ball indicate this. The British Commonwealth Conference at Canberra in August showed a general agreement on the need to recognise the dominant role of the United States in the northern Pacific to prevent the resurgence of Japan, and to secure the gradual economic development of Japan as part of a plan for the betterment of East Asia and the Pacific as a whole. There appeared also to be agreement on the need for Japanese light industrial development and at the same time for the closest civilian supervision of economic developments for a considerable period to prevent Japan from renewing her war potential. The consensus of opinion seemed to be that, since "Japan will be either a powerful bulwark for peace or a dangerous springboard for war" (MacArthur), she must be weakened permanently as a military power, but that the peace terms should not be too tough economically.

Security Problems in the Indian Ocean.

Gerald Packer.

It is inevitable that the emergence of a strong, definite American policy towards the Soviet Union, apparently to contain Soviet expansion wherever it can and by whatever means possible, should have immediate repercussions upon the rest of the world, including Australia. One important aspect of this new "two-world" policy is the manner in which it may operate in the Indian Ocean region. Australia has a vital interest in the security problems of the Indian Ocean though Australians have been prone to assume that some adaption of the pre-war British Commonwealth system of defence will ensure future stability. Recent political and military changes in South East Asia and the Middle East suggest that British Commonwealth strategy and high policy in these areas needs to be reconsidered. The crucial point is the role of India in a "two-world" universe. This article briefly examines the problem from the Australian point of view.

Future Relationship Between Britain and India.

The future¹ relationship of an independent India to the British Commonwealth has been the subject of a series of monographs by Sirdar K. M. Panikkar¹ recent Prime Minister of Bikaner, formerly secretary to the Chamber of Princes; an administrator, historian, and litterateur of standing, Panikkar's acute analysis of the alternatives open to India and his advocacy of a political and military alliance between Britain and India, involving a vast maritime defence system in the Indian Ocean under the leadership of India, should be widely read by Australian students. His views are very significant at the present moment. They merit some detailed examination to assess the wisdom and scope of his proposals.

In "The Future of South East Asia", Panikkar approaches the problem by historical analogy at a time when the Japanese occupation of Burma threatened the security of India. Discounting the Central Asian traditions of the Moghuls and Lord Curzon, he con-

1. *The Future of South East Asia*, 1943; *The Strategic Problems of the Indian Ocean*, 1944; *The Basis of an Indo-British Treaty*, 1946.

tends that the entire area of South East Asia except Burma was politically within the Indian sphere from the first century A.D. to the fifteenth century and that this entity was maintained by sea power based on India. Only when the Arabs and the Portuguese wrested command of the sea from India was this system of Hindu kingdoms overthrown. Panikkar foresees that Japanese action has irreparably damaged the European colonial system established upon the debris of these ancient states. He argues that this colonial system cannot be re-established and must be replaced by a political system based upon the freedom of the colonial peoples. This he regards as possible only on the basis of a security system under the military leadership of an independent and stable government in India, supported by the maritime power of the British Commonwealth. Upon the assumption that it is in British interests to underwrite the scheme, he then proceeds to consider in turn the role of the various states of South East Asia.

In regard to India and Burma, Panikkar recognised even in 1943 that independent states in Pakistan and Burma were inevitable. He therefore advocates the establishment of a Triune Commonwealth, Pakistan, India and Burma, united as a single defence area, held together and strengthened by co-operation with Britain to form the main structure for peace and security in South East Asia. This defence area would reconstitute the old Indian Empire, with an outpost at Aden and the Persian Gulf within its orbit. The eastern extension of this area would include the closest collaboration with Thailand because of the vulnerability of a weak and independent Thailand to seaborne invasion. It would recognise the unique position of Singapore, the responsibility for whose defence should be shared by India, Indonesia and Great Britain. As a weak Indonesia cannot be defended from India, it is important that Indonesia be independent, strong, and capable of fighting for itself. Thus, Panikkar envisages the political and economic freedom of the national units of South East Asia, their collective responsibility for defence, a friendly co-operation between the former European colonial powers and the Asian people, all crystallised under the political and military protection of India. Further, he requires the technical and industrial support of Britain to establish Indian primacy and delicately suggests that the treatment of Indian nationals in areas like Kenya, Tanganyika, Zanzibar or Fiji must be readjusted upon the basis of equal political rights. In the case of Kenya and Fiji, he recognises that this reform would, no doubt, have the effect of converting them into Indian colonies.²

2. *The Future of South East Asia*, p. 59.

In his second monograph, "The Strategic Problems of the Indian Ocean," Panikkar expands the maritime theory upon which his initial scheme is based. Affirming the importance of the Indian Ocean to India and its trade, he traces the naval history of the various attempts to establish foreign naval supremacy since the fifteenth century. From the time of Albuquerque, whose strategy Panikkar unreservedly admires, a successful issue has depended upon the secure tenure of a few key points such as Sokotra, Mauritius, Trincomalee and Malacca, from which naval entry into the Indian Ocean could be controlled. The developments of the last 50 years, says Panikkar, more or less follow the same pattern. The freedom of India will remain an unrealisable ideal if the control of the seas passes into other hands so that the maintenance of the Indian Ocean as a "closed area" is of the utmost importance to India. But, how can the Indian Ocean be made secure? It is too much to expect Great Britain and the other elements of the Commonwealth to hold the seas for India. It is therefore essential that India should share the responsibility. As her interest in the area is predominant, the main task must fall on her to provide the forces to man the system of naval and air bases controlling the approaches to India. To this end, Ceylon is to be an integral part of India for all defence purposes, the Andaman Islands are to be developed as naval and air bases for the Indian Navy and effectively colonised, the islands of Sokotra and Mauritius are to be leased to India to serve as advance posts for a proper defensive policy.³

But, what inducement is there for the British Commonwealth to undertake the commitments and shoulder the liabilities which an Anglo-Indian alliance would involve? Panikkar is naturally critical of suggestions that British commitments in the East arise mainly from her position in India and that, with the liquidation of her interests there, Britain can with safety and security concentrate on other areas. This argument, he says, is economically fallacious and spells political and moral defeatism. Britain has a strong moral obligation as a world power to continue a friendly and voluntary association with so large a segment of the human race. Withdrawal would imperil every aspect of her national life. Britain should accept the task of stabilising South East Asia in equal association with India, her natural successor state. He concludes with the admirable opinion that this association, free of the racial discrimination of the past, would bring into being a Fourth British Empire, justly entitled to claim the moral leadership of the world.

The views held by Panikkar and his friends, summarised above,

3. *The Strategic Problems of the Indian Ocean*, p. 17 and 18.

were published before the harnessing of atomic energy and the growth of Soviet power. They fit neatly, indeed too neatly, into the pre-war conceptions of a regional system of security and of the decentralisation of British Commonwealth defence. They have definite merit in that they attempt to reconcile the strategic interests of Britain with those of the rising national states of South East Asia and offer, upon certain implied conditions, the assurance of substantial Indian support. The question for the other members of the British Commonwealth to determine is whether, in the short run, the price is too high and, in the long run, the proposal is impracticable. If the strategic problem could be considered only in terms of naval and air forces, it is open to doubt whether the British Commonwealth would be justified in assuming any commitment for the local defence of India. Recent differences between Pakistan and India are a fair sample of the minor risks. The immediate military issue is that the principal joint Indo-British bases would need to be either in India or Ceylon. Otherwise, bases in Africa and Australia would be sufficient to retain control of the Indian Ocean and could be secured at little cost. Indeed, the reduction of British forces in this area has already become a financial necessity. There would therefore appear to be three alternative methods of organising Commonwealth security in the Indian Ocean:—either the extension of Indian authority, or the replacement of British garrisons by Dominion forces or the withdrawal of the main British bases clear of the Asian continent, coupled with an Anglo-Indian settlement without major commitment. The implied price of Indian support is clearly the extension of Indian sovereignty in East Africa and the Indian Ocean, for which in the short run, there is insufficient military justification.¹

In the long run, the political aspects of Panikkar's proposals are equally likely to be unacceptable. The national movements for freedom are strong in the rising states in South East Asia. These movements are fundamentally anti-European and it is presuming too much to expect that a free association of these peoples with their former Imperial powers offers a prospect of enduring peace. Further, these peoples are as suspicious of Indian and Chinese economical and political penetration as they are of European colonial domination. It is tolerably certain that a proposal for the joint Indian and British occupation of the main strategic points in the area would be bitterly resisted and that the active local collaboration upon which the scheme depends would not eventuate. Indeed, the beneficiaries of Indo-British protection would gamble on the prospect that, on the one hand the Hindu capitalist would not become too Imperialist and on the other, that social revolution

would not ultimately bring India within the Soviet sphere of influence. If Toynbee's tests of the disintegration of societies be applied to India, it might be considered that the ancient Hindu society is well on the way to dissolution. How untimely then are proposals to extend overseas the authority of the dominant Brahman minority.

The Effect of Soviet-American Differences.

Post war developments, such as the emergence of the Soviet Union as the greatest Asian power, have vitally affected the strategic balance in the Indian Ocean. For example, the development of atomic warfare and the research now proceeding into scientific weapons, dependent upon large scale industrial power, have brought to an end the era of small nation-states, in which the comity of nations was maintained on the basis of a roughly recognised code of international law. Space to disperse industry and to deploy these new forces has become the main attribute of security. Both strategy and high policy are closely interconnected and conditioned by this geography of space and power. In the emerging post war world, two, perhaps three great powers, alone enjoy the possibility of survival and the organisation of the areas between them into a coherent system is rapidly taking shape. In his final monograph, "The Basis of an Anglo-Indian Treaty," Panikkar has addressed himself to these geopolitical aspects of the position of India. The fact that the geopolitician and the naval historian arrive at much the same conclusion from very different premises does not detract from the lucidity of Panikkar's argument and the stimulating prescience of some of his conclusions. His scheme fits so nicely into an eastern extension of the Marshall plan that it merits appraisal.

Panikkar says:—⁴

"For the first time since what turned out to be the abortive attempt of Jenghiz Khan, the heartland of the Eurasian continent is united under one iron control. The genius of Mackinder pointed out long ago that the power that controls the land mass from the Carpathians to the Pacific will have established an impregnability in power, an extent of space which cannot be penetrated and a strategic position which can strike anywhere it chooses As against the heart of the continent so organised the previous great powers of Europe have become puny states In effect only what the geopolitical thinkers call the Rimland is left outside."

The power of Great Britain, he points out, always lay in the Rimland and was effective so long as Asia was unimportant. Today the position has completely changed and, if the maritime areas of the Rimland are to be organised, it can only be with the assistance of a large Asian land mass which is oceanic in its interest. Only with the great land area of India organised to a high pitch of industrial

4. *The Basis of an Indo-British Treaty*, page 3.

efficiency at one end and Great Britain at the head of a Western bloc at another, can the maritime areas of the Rimland be kept together. An Indo-British alliance is essential to Great Britain, for without it, says Panikkar, her position in world politics will be untenable. The argument that Britain can obtain the space and resources necessary by the development of her African territories is discounted. An African policy, leading to the abandonment of the Mediterranean and the division of the Rimland by Russia into two separate parts is characterised as suicidal. The Indo-British alliance is equally necessary for India for, without it, Panikkar considers that India must inevitably fall within the orbit of Russia. India, he foresees, is of no intrinsic importance to Russia except that Russia will be concerned to see that India does not join any other group. A weak and industrially backward India can be no prop to a Rimland State system, so that the development of Indian potential must be an essential feature of such an alliance. Thus, India's true interest is to capitalise her importance in a maritime alliance rather than be absorbed in an orbit where she will not count.

Panikkar then proceeds to elaborate the terms of an Indo-British alliance along the lines traversed in his previous papers. The following are the salient points:—

- (a) India must be built up as quickly as possible to create an industrial power. British interests, except those in integrated defence industries (chemical, aluminium, motor, etc.) should be liquidated and absorbed by the Indians themselves.
- (b) A defence area should be formed under the specific leadership of India, covering Burma, Malaya, Thailand, Indo-China, Afghanistan, Persia and Iraq. Within these air boundaries, India should enjoy reciprocal rights for the use of the air bases required for joint defence, as well as within the region Sokotra, Mauritius and Penang.
- (c) The prevention of the dominance of the Persian Gulf by any power capable of exerting naval pressure is of fundamental importance to India, which must therefore assist to maintain the independence of Iran.
- (d) Indian policy must prevent the Red Sea and East African coast from falling to a major power. Accordingly, Diego Suarez, the weakly held Madagascan naval base, should be demilitarised in the interests of India.
- (e) As Russia at Port Arthur means Russia in the South Seas, Indonesia in the weak hands of Holland is a danger to the Indian Ocean and hence to India.
- (f) The defence of India is a purely domestic matter which should be undertaken with the technical assistance of Great Britain and which would require the mobilisation of the Indian Youth in the interests of national efficiency.
- (g) Pakistan and India should be integrated for defence. But if Pakistan joins Islam, it is of little practical importance, for Islam from the Levant to the Indus is no more than a convenient geopolitical buffer space. It is more vulnerable to Russian attack today than was the

Khwarizmiam Empire of Jelaluddin and Mahomet Shah to the Mongol Empire.

The obvious chauvinism of Panikkar's proposals need not obscure the essential soundness of some of his conceptions. India might become an important factor in a world system outside the Soviet Union. At the Asian Relations Conference it was fairly clear that the Soviet delegates feared such a development. They were fundamentally opposed to any Pan-Asian system under Indian leadership but they welcomed a proposal for a neutrality pact of Asian countries, which could only act to the detriment of Britain and America. The idea of supporting an Indian bloc is thus one which might ultimately appeal to the American State Department as complementary to the Marshall plan for the stabilisation of Western Europe and the MacArthur plan for the industrial restoration of Japan. Between these two new "bulwarks" of American foreign policy against Communism lies a political vacuum from which British interests have partially withdrawn and in which it is unlikely that the British Commonwealth would be justified in assuming additional commitments. Sooner or later, the question of American intervention is likely to arise. Panikkar's proposals, suitably refurbished, offer a scheme not inconsistent with what is now believed to be the fundamental basis of American foreign policy.

Such assumptions about American policy can be inferred from the well informed analysis of Soviet American policy published recently in "Foreign Affairs"⁵ and attributed to G. F. Kennan, director of the Policy Planning Staff of the State Department. The theme of that article is that "the main element of any United States policy towards the Soviet Union should be that of a long term patient but firm and vigilant containment of Russian expansive tendencies." These Russian policies must be contained by the adroit application of counter-force at a series of constantly shifting geographical and political points, corresponding to the shifts and manoeuvres of Soviet policy. Such a theory of containment seems to be the basis of American policy in its application to specific current problems, such as the economic crises in Western Europe, and the civil wars in Greece and China. Sooner or late, judging from the Molotov-Ribbentrop negotiation of 1940, Soviet pressure is expected against the Islamic borderland states of the Middle East. It is a fair presumption that an attempt at American counter-pressure would demonstrate the need for a secure political and military base in South East Asia. India provides such a base. Despite the criticisms voiced by Walter Lippmann⁶ upon the futility of a coalition of

5. "The Sources of Soviet Conduct by X"; *Foreign Affairs*, July, 1947.

weak allies on the perimeter of the Soviet Union, positive American interest in an understanding with India is a reasonable forecast.

Repercussions Upon Australian Policy.

It is evident that the strategic problems of the Indian Ocean cannot be examined in the strictly military sense until the major political factors are more clearly defined. The matters at issue concern neither the authority of the Security Council nor the nature of the British Commonwealth dispositions. The attitude of India must ultimately determine the political and strategic alignment. In this respect, the Government of India would appear to have three immediate alternatives:—

- (a) To negotiate an Indo-British treaty along the lines of Panikkar's proposals.
- (b) To seek an understanding with United States as an active partner in the anti-Soviet alignment.
- (c) To promote an Asian group under Indian leadership, designed to remain neutral in any Soviet-American conflict.

The position of the British Commonwealth is reasonably clear. There is little present justification for the negotiation of an Indo-British treaty with the extensive objectives, area of operation and machinery outlined by Panikkar. In any case, the establishment of Indian supremacy from Aden to Singapore and from Mauritius to Basra is an undertaking unlikely to commend itself to British Commonwealth sentiment. The best that can be done at the moment is to develop a system of bases in East Africa, South Africa and Australia, clear of the mainland of Asia and to enter into such commitments with India and South East Asia only as are calculated to maintain a degree of political stability. Even so, the realisation of this modest programme demands a much higher degree of co-operation between the British, South African and Australian forces on the perimeter of the Indian Ocean than now exists. It is difficult, for instance, to obtain in this country any clear account of South African defence policy. Except that the South African post-war forces are on much the same scale as those planned for Australia, little is known in Australia of the South African attitude to problems of common interest.

If, however, Soviet-American differences finally result in an active American policy in support of India, some of the repercussions would certainly be embarrassing to the British Commonwealth. The liquidation of British commercial interests in India and South East Asia would no doubt be accelerated and proceed without too much concern for the niceties. A claim for joint user rights at British naval and air bases might be difficult to refuse but

6. "U.S.A. and Soviet"; Walter Lippmann; *Argus*, 25th Sept. 1947.

have far reaching effects upon British Commonwealth strategic dispositions. Finally, political conditions, unpalatable to the British Commonwealth, might be attached by India as part of a reciprocal arrangement with America. The trend of Indian thought is clear from the nascent chauvinism in Panikkar's monographs and the declarations of Congress leaders. There can be little doubt about the desire of Indian leaders to secure equality of political status for Indians resident abroad, freedom from current restrictions upon migration and an increase in India's external territories. There is little doubt that these matters will be raised in international conferences within the next decade but an Indo-American understanding would ensure that they were raised at once.

Australian interests and domestic policy would thus be immediately concerned in any development of the Truman doctrine which involved an Indo-American understanding so that it is important to know the official attitude of United States to these matters. Unfortunately, there is no particular reason to believe that this attitude is favourable. During the war there were unofficial indications that the late President Roosevelt at one stage contemplated negotiation to open the New Guinea mandate to unrestricted Japanese migration. Fortunately for the American armed forces, nothing came of the matter. The American unofficial attitude is equally curious. In his elaborate study "Population and Peace in the Pacific," W. S. Thompson strongly criticises the Anzac pact upon the grounds that it is an attempt to form an "Australasian Empire," merely intended to exclude Asians from the undeveloped areas of New Guinea and the South Seas. He contends that it is not in the interests of United States to antagonise the peoples of South and East Asia by supporting Australian policies, which appear to him to perpetuate the evils of the colonial system⁷. Australians are likely to be both astonished at this perversion of the facts and amused to think that anybody could conclude that the Japanese, reliably credited with a desire to enter the White House, would be satisfied with hors-d'oeuvres in the South Seas.

It is ironical to reflect that the differences between Russia and America may well lead, through American support of Asian "bulwarks" to contain the Soviet, to the arraignment of domestic policies concerning, not the Soviet Union whose loud mouthed aggression has alarmed the world, nor the Asian peoples whose indecent fecundity is a continuing menace to world peace, but the natives of East Africa and the South Seas and the British peoples of South Africa and Australasia, whose direct interest in the original contest is remote.

7. *Population and Peace in the Pacific*; W. S. Thompson, p. 350-6.

Europe and the Great Powers: I¹

H. D. Black.

The last high point in co-operation between the United States of America and Britain on the one hand, and Soviet Russia on the other, was the Crimea Conference of February, 1945.² The most recent low point (and the barometer is still falling)³ was October 5th, 1947, the date of the proclamation of the Cominform, a bureau of communist affairs to be located in Sofia. Between these two occasions, co-operation has been bound in shallows and in miseries. Those with a penchant for historical parameters will see in this dissolution yet another evidence of a centrifugal "law"—a "law of repulsion"—governing the tendency of coalitions to fall apart on victory. War is a necessary but not, they might argue, a sufficient condition of unity.

For my purposes here, the important points to note are first, that the time-dimension of the decay in Anglo-American relations with the erstwhile third partner—the *rate* of the onset of disagreements—has been extremely rapid. At Crimea, for example, the Big Three jointly affirmed that, "Our meeting here in the Crimea has re-affirmed our common determination to maintain and strengthen in the peace to come that unity of purpose and of action which has made victory possible and certain for the United Nations in this war."⁴ The fruit of this solidarity was the Conference at San Francisco in June, 1945, which determined upon the creation of the United Nations Organization. But within the General Assembly of this very international organization by the mid-year of 1947, representatives heard the bitter, accusing, ironic speeches of Soviet Deputy Foreign Minister Andrei Vishynsky, attacking named "warmongers" in particular, and American and British foreign policies *à outrance*. By 1947, a Soviet paper had called President Truman a fascist, Soviet radio had spoken of Britain's love of war-making, and the British Prime Minister had

1. A second article by Mr. Black will consider further aspects of Great Power policies towards Europe.

2. For the text of the Report of the Conference, see *United Nations Documents 1941-45*, (R.I.L.A.), pp. 142-148.

3. This article came off the pen in the middle of November, 1947.

4. *United Nations Documents, 1941-45*, cit. sup., pp. 147-148.

had occasion to refer to the stream of Soviet abuse poured upon the United Kingdom, and the United States had taken the challenging step to opposing Ukraine's nomination to a vacancy upon the Security Council, and, in partial substitution for this ineffective organ, had pressed for a "Little Assembly." The symptoms are distressingly too numerous, and these examples are culled at random. But the angle of decline from the formulae of Yalta to the fulminations of 1947 is unmistakably sharp and acute.

But the second point, which needs no labouring, relates to the *scope* of the disagreements—the scope is wide, it is a net within which have been caught all the major issues of the post-war world. Sometimes the lack of solution has been due to a basic failure to fix upon the necessary principles—as over the matters of inspection, and enforcement of an atomic convention against prohibited uses of nuclear energy;⁵ at other times the disharmonies have arisen at the level of detailed interpretation of principles which have been, at least, formulated in written instruments—as for example, the disagreements which flow from the interpretation of the so-called Potsdam Agreement where it relates particularly to the occupation of Germany. In this latter case, the political and economic principles were formulated at some length, thereby filling out the more general agreements given in the Report of the Crimea Conference. But in the further interpretations, put upon these guiding notions by the various commanders within the zones, and within the Allied Control Council, there has emerged so thorough a variance between (particularly) American and British, and Russian views on details, that doubts now gather as to whether even the presumed principles were ever more than cloaks thrown over an intractable opposition of views, perhaps in the hope (by some or all the parties) that different circumstances later on would favour closer agreement. Careful observers of Russian policy have shown that no surprise should be felt when the requirement of detailed interpretation of principles appears to reveal Soviet reluctance. Major-General John R. Deane, author of *The Strange Alliance*, head of the U.S. Military Mission to Moscow, has disclosed instances of Russian readiness to agree "in principle" to a project, coupled with a prolonged refusal to develop this agreement in any detail; thereby in effect destroying the "agreement in principle."

It has been Europe's ill-luck to emerge from beneath the Nazis, only to encounter a rapid *rate* of deterioration, over a *wide scope*

5. E.g., the Russians desire that enforcement, within a nation, be left the responsibility of the Government of that nation; the Americans argue the need for international inspection and do not believe that "national" enforcement offers any security against a potential aggressor who might be tempted to prepare for a military use of nuclear energy.

of issues, in the relations between the Western Great Powers and Soviet Russia. This fact is a basic dimension of the picture of Europe to-day. The fate of the peoples in the continent depended upon decisions taken by non-European, or should we say extra-European, powers, primarily the United States of America, Soviet Russia and Britain, which extra-European powers, however, were shown very rapidly to have lost cohesion. It is less then rhetoric to say that Europe lost the war. Writing of the Big Three, Anne O'Hare McCormick put it as follows: "And they are stumped. They cannot agree to divide Europe or to unify it. They shift a boundary here and there. With the Olympian carelessness of nature—God would scarcely be so unconcerned for His creatures—they brush people, millions of people, out of the way. But they cannot draft a continental peace; and the reason they cannot is not simply because their own interests and ideas are in conflict. It is because they don't know the ground they have to build on. They are strangers to Europe."⁶

Another theory of the shaky Great Power scaffolding, within which the economic and social and political structure of Europe has to be re-built, asserts that the deterioration began in August, 1945, with the Bevin-Byrnes dispensation. This view, associated with the name of Professor F. L. Schuman⁷, diagnoses the policy of the U.S.S.R. as follows. Security for Russia requires a "concert of the super-powers." Failing this, a wide sphere of influence in zones around the Soviet frontiers is necessary.⁸ Soviet Russia, says Schuman, was attacked from Manchuria in 1904, 1918, 1937, 1938 and 1939; and from Turkey in 1915; from Iran and Turkey in 1918 and also from Poland and the Balkans in 1915, 1918, 1920 and 1941. Hence Moscow will stick to its second conception of security and "in exchange for acknowledgment of its legitimacy by the Western Powers, however, Moscow will cheerfully grant Anglo-American preponderance in all the rim-land regions beyond the Yellow River, the Hindu Kush, the Sea of Marmara, and the Stettin-Trieste line."⁹ Then follows the essence of Schuman's thesis. At Yalta, he says, this design for a world order was pretty well accepted by Roosevelt and Churchill, and so long as it was accepted and observed in practice, the Russians refrained from

6. "Europe—Big X in the Post-War Equation", *New York Times Magazine*, July, 1946, p. 5.

7. Professor of Government, Williams College. See his "Soviet Politics at Home and Abroad" and *New York Times Magazine*, June 30, 1946, p. 6 et seq., "A Diagnosis of the Big Three Problem."

8. Though what this means in terms of security in this age of "automatic" warfare, is difficult to assess. See Liddell Hart's "The Revolution in Warfare," and *Current Affairs Bulletin*, Vol. I, No. 3, "The Politics of the Atom."

9. *New York Times Magazine*, June 30th, 1946, pp. 43-44.

December, 1947

challenging or criticising Anglo-American policies in these areas. But the Byrnes-Bevin "dispensation" began, he alleges, a programme for revision of this global order, in particular aiming to reduce Soviet influences in the Soviet spheres. Hence the Russian retaliatory counter-attacks upon Western policy all over the world—Greece, Indonesia, Japan, Spain, Iceland and we may add, upon the Paris Conference and the Marshall Proposals.

This view is open to various forms of challenge—first, as to whether a global partition did in fact underlie the Crimean decisions; and secondly, it is at least arguable that demands for security itself may take on imperialist manifestations; furthermore it leaves unaccounted the role of communist parties west of the Stettin-Trieste line—and the subsequent revival of a Cominform, and the active role defined for them by Zhdanov would suggest that Russian policy had never been presumed upon a global equilibrium, but was rather flexible and opportunist. Hitler, we may say, by his devastations had produced a kind of "proletarianization" of Europe, and the inflations which he lodged in the various conquered economies, and which have persisted up to the present time, helped on this process, with all its attendant economic dislocations and above all, its destruction of social relations and human habits and hopes. It is difficult to believe that any Marxist would let such fertile soil in Western Europe lie fallow, and not cast upon it a few seeds of the dialectic. And even if it had been no part of designed Russian policy to make the most of this opportunity, such conjunctures of social and economic conditions have a momentum of their own and shape men's attitudes politically; and perforce all parties, Socialist, Catholic, Communists and others would react in their characteristic ways in this wake of Hitler. And in the logic of power politics, the positions held by any party favourably disposed to any Great Power, would come to earn consideration by the relevant Great Power in shaping its foreign policy. If any Yalta formula ever did exist (we are asked really, by Schuman, to believe that at Yalta these were Tilsitian dreams again) then events and conditions quickly made it hopelessly inoperative.

The truth seems nearer the view that an attempted experiment in co-operation in Europe failed; and nowhere is the evidence for this in sharper focus than in the case of Great Power policy over Germany. This truth has been expressed in even stronger terms, namely, that not only has an experiment in co-operation failed, *but that at the time of its inception, its failure could have been anticipated as resulting from the very conditions created by the victors themselves in the European theatre.*

The victors had taken "unconditional surrender" as their primary military objective. This in itself was an evidence of that degeneration in the nature of warmaking which has been so strongly remarked by Liddell Hart.¹⁰ An "unlimited aim" led perforce to unlimited methods. "But that reflection on the practical compulsion does not alter the fact that this policy involved the paradoxical course of seeking to preserve European civilization through practising the most uncivilizing means of warfare that the world has known since the Mongol devastations."¹¹

Given this conception of aim and its consequences, given the evidence of hunger, destruction and disorder which the converging armies everywhere discovered, the prescription provided by the Conference in July, 1945,¹² particularly for the control of Germany, represented not merely a projection of details into the more general formulae of Yalta, but the virtual certainty that the recovery of Europe would be delayed. Potsdam was proof that the Great Powers were "strangers to Europe." From its inception, the Allied Control Council encountered difficulties, which in the passage of time, have proved insurmountable. We are here given the clearest evidence against the view that Anglo-American policy has tried to whittle down some Yalta formula. The difficulties over the administration of the Potsdam Agreement began immediately the separate zones of the Council had been established. It is sufficient to refer to the failure to secure economic unity of the zones and to carry out at all any of the provisions for common policies, e.g., relating to section 14(e) of the economic principles governing Germany, the section being concerned with "currency and banking, control of taxation and Customs." The record here is precisely nil. If the Potsdam Agreement and the Report of the Crimean Conference be read carefully, they leave one undeniably convinced that the weakness of the Control Council, and, by contrast, the "supreme authority" exercised in each zone by the respective commanders-in-chief, represented a fundamental lack of agreement as to the future role of Germany in Europe. There is plenty of detail about "peaceful domestic industries," reparations, and (Section 15 of Economic Principles) about controlling "economic and financial international transactions, including exports and imports, with the aim (notice the negative element here) of preventing Germany from developing a war potential." Admirable as this may sound, the point remains—Germany was viewed as if abstracted from the European

10. See *The Revolution in Warfare*, particularly Chapter 2.

11. *Ibid.*, pp. 74-75.

12. See *United Nations Documents*, cit. sup., pp. 193 et seq.

economy. "But the snag," as one writer put it,¹³ "is that lowering the level of life in Germany also lowers the level of life in Europe. Germany can be maintained as a pauper or prisoner as long as the Big Four remain on guard, but she cannot be moved from the center of Europe. She cannot be shifted from her strategic position between Russia and the Western powers."

It has taken nearly two years to drive home, particularly among the statesmen of the Western World, who should have known in any case, the truth that European recovery was impossible without a recovery in Germany. Relief in Europe took on a piecemeal character. In various categories, American aid since Germany's defeat, has reached \$11 billion for Britain and Europe, but it proved to be neither adequate in amount nor devised to set in faster motion the forces of recovery in Europe itself. In certain instances, the bearing of German production upon European recovery was seen from the beginning, e.g. coal output was essential, particularly to France, and more particularly in that Britain had failed to return to the role of coal exporter. Some estimates of Western German production were, this year, as low as 40 per cent. of the level 10 years ago. In this fantastic situation the control of Germany continued to lead to the baleful result of widening disagreement between the Great Powers, which now included France with "her" zone among the others with "theirs."

France, which never ceases to look at the line of the Vosges, desires the internationalization of the resources of the Ruhr, coupled with some redistribution of German steel-making capacity. It is an old problem in a new setting—that of reconciling French demands for security with reasonable economic opportunities for Germans to develop their economy, without them preparing the grounds for renewed "expansionism."¹⁴

Soviet Russia has emerged master of eastern Europe. She is master of what Mackinder called the Middle Tier. Very rapidly, the so-called "Molotov" plan of trade treaties, plus Russia's inheritance of German assets in this sphere, has placed Russia in a dominating position in respect of the import-export trade of Eastern Europe. Only in Czechoslovakia is her trading position relatively small, and it is in this country nevertheless that wider schemes of heavy industrial development have been advanced by the Czechoslovak Communist Party, to service Eastern Europe in (at least partial) substitution for German and Western machinery.

13. Anne O'Hare McCormick, *New York Times Magazine*, November 17, 1946.

14. See *France* by Pierre Maillaud, pp. 66-74.

"In Stalinist Russia," says Professor Schumpeter,¹⁵ "foreign policy is foreign policy as it was under the Czars. In the United States, foreign policy is domestic politics." But it is curious that, in the special circumstances ruling, Stalin's policy towards Germany and Europe was also "domestic politics"—and the special circumstances were these. First, the great shortage of consumer goods in Russia, as well as equipment, and the prospect therefore of some easement by reparations in kind and from current production, particularly by German industry processing Russian raw materials.¹⁶ But the recovery of Germany could strengthen her economic relations with the zones in which Stalin had lately acquired mastery, and, anyone with the barest mental modicum of Marxism would not fail to recognise the danger of a foreign economic power lodged in the backyards of Soviet security. The solution, the bold solution attempted, was the line adopted by Soviet Russia at the abortive Council meeting of the Foreign Ministries in Moscow. Unify Germany with a central Government; extend reparations to \$20 billions; these conditions, plus the enhancement of German Communist Party's influence or control in an all-party Government, and especially in the unions, would give, despite the risks of a centralised Germany, the politico-economic controls necessary to guarantee Russian security *and* the products she required.

The Americans would have none of it, nor the British. With their zones merged economically into Bizonia, and costly, and not yet in prospect of repaying occupation expenses, (and in the British case, a veritable sink for dollars), they neither of them showed any willingness to see Germany tied effectively into the Russian economy, or to put American and British taxpayers in the position of establishing Germany as a processing plant for Russia's benefit. Furthermore, the Anglo-American emphasis has been more on a federal Germany built upon established states. The French have had no luck in securing consideration of their memorandum on the Ruhr, and the Anglo-American line of policy seems very unpropitious for an "internationalization" which included Russian overseers in the Ruhr. But it is not surprising that the logical French should continue to wish for more blast furnaces in Lorraine in preference to the original Byrnes proposal to guarantee the demilitarization of Germany.¹⁷

This tangle of policies is the outgrowth of differences in ob-

15. See Schumpeter: *Capitalism, Socialism and Democracy*, 2nd ed., p. 401.

16. This has happened in the Russian zone, and obtains also in respect of certain raw materials processed by Czechoslovakian industry for Russia.

17. See article by André Géraud (Pertinax) in *Foreign Affairs*, Vol. 26, No. 1, p. 24, et seq., "Can France again be a Great Power?"

jective and method which were not reconciled either at Yalta or Potsdam, nor subsequently in the Peace Conference over the satellites nor in the meetings of the Foreign Ministers' Council. It has taken these latter two years to convince the Western Powers that Soviet aims were irreconcilable with recovery in Europe, at least in the Western lands. The growth of opposition to Russian policy has taken many forms—American support of de Gasperi in Italy and of the Christian Social Democrats in Germany; the keeping of France "on side" by higher allocations of coal; the directive of July 15th, 1947, superseding the old directive J.C.S. 1067/6, of April 26th, 1945, requiring the military Governor in the American zone to effect a transformation in occupation policy. The practical effect of this, in co-operation with appropriate British action (the French are unhappy about it all) is to aim at a higher level of German industrial production—steel to around 10.7m tons, and with strengthened American influence in German coal control, and production to be raised.¹⁸

The outcome was the expected refusal by Mr. Molotov to attend when invited to the Paris Conference of Nations to discuss the Marshal "suggestion," and with him stayed away the "satellites." A single policy of the Great Powers for Europe failed to emerge. The sharpest cleavage of interest took its place, and, at least temporarily, Europe took on the aspect of a partitioned area. It proved impossible to proceed to a Peace Treaty with Germany and Austria.¹⁹

According to the Manifesto of the Cominform, "There are two camps—the camp of imperialism and anti-democratic forces, whose chief aim is the establishment of a world-wide American imperialists' hegemony and crushing of democracy; and an anti-imperialist camp whose chief aim is the elimination of imperialism, the strengthening of democracy and the liquidation of the remnants of fascism." The Manifesto proceeds: "The Truman-Marshall plan is only a farce, a European branch of the general world plan of political expansion."²⁰

To fix both the poles to one or other of which these two great Powers appear to have moved, I may close by quoting H. L. Stimson, "The problem of Russia is thus reduced to a question of our fitness to survive."

18. See *New York Times*, August 31st, 1947, p. 6E. Letter by Arthur M. Wolkiser for a discussion of the significance of this departure.

19. Incidentally, the celebrated Professor of International Law, Hans Kelsen, has argued (*New York Times*, Sept. 7th, 1947, p. 6E) in a letter on German Peace Terms that Germany as a sovereign state has ceased to exist. This point will be elaborated in a succeeding article.

20 *New York Times*, October 12th, 1947, Section 4E, p. 1.

Britain in a Changing World.

Gordon Greenwood.

The present economic plight of Great Britain is but one manifestation of Britain's predicament in a world in which the balance of power is markedly different from what it was in 1914 or even in 1939. In fact the relative decline of Britain's economic strength was apparent long before the recent struggle and it might be argued that the post-war problems after 1918 differed from those of today only in degree. Nevertheless the second World War so greatly accelerated the process that Britain's strength appeared to have been sapped almost overnight. This change in Britain's fortunes, if in any sense permanent, represents a revolution of the first order. A world in which British power is open to question, in which a primary responsibility for the maintenance of order may not devolve upon British leadership, is a world so fundamentally different from that of the nineteenth and early twentieth centuries that it calls for radical adjustment in international thinking. The clearest evidence of how difficult that adjustment is to make is presented by the spectacle of American reluctance to assume the burdens which Britain was accustomed to shoulder and which United States predominance demands that she should assume.

The problem confronting any British government today is that of the discrepancy between Britain's economic and military power and her world-wide commitments. The relative weakness of Britain makes it exceedingly difficult, if not impossible, to bridge the gap between commitments and capacity to meet them. Old habits within and without Britain die hard. Within, the Government has to deal with the legacy of nineteenth century expansion and the mental climate engendered by the possession of unrivalled financial, commercial and naval power. Without, there still remains to some extent the habit of reliance upon British leadership and the *pax Britannica*. Whenever that expectation is not fulfilled there is a sense of irritation and disillusionment.

After this war, as after 1918, the British Government at first continued to think and act as though its resources were still adequate to the maintenance of existing commitments and even to the acceptance of new ones. Through financial support and British

troops Britain took up the task of bringing order to Greece, held the ring in Indonesia and acquired responsibility for administering a large zone in Germany.

Gradually, however, it was borne in upon many that Britain could no longer afford to act her nineteenth century role, perhaps not even to assume primary responsibility in many theatres where previously British influence had been predominant. The dilemma became ever more obvious: how was Britain to retain her position as one of the Big Three, equal in prestige, influence and power to the United States and the Soviet Union when her financial reserves were dwindling and her resources, whether human or material, fell far short of those possessed by her two major associates?

Even before the conclusion of the war this sense of uneasiness about the strength of Britain in relation to the other major allies provoked a discussion of which the main object was the search for possible means of placing Britain on a more nearly equal footing with the Soviet Union and the United States. British statesmen considered the idea of a Western European association, but little positive result was achieved. Within the Commonwealth, however, more was achieved. Most of the Dominions have shown themselves willing to assume a greater degree of regional responsibility.

So far, however, the British Government has not been able effectively to bridge the gap between commitments and capacity, to meet them by co-operation from nations within or without the Commonwealth or by rejuvenation of Britain's economic life. It has been forced, therefore, by the inexorable logic of its limited financial and other resources along the path of curtailing British obligations. It would no doubt be a gross distortion of the truth to argue that the only motive behind the decisions to grant Dominion status to India or Burma or to initiate treaty revisions with Egypt was the necessity to curtail British commitments. The Labour Party has long been critical of any policy denying the right to full self expression for national aspirations and has, in particular, repeatedly conceded the legitimate nature of the Indian claim to self-government. Despite such qualifications, the broad pattern resulting from the British Government's actions in recent years is clear—the gradual relinquishment of those commitments which impose an impossible strain upon the country's resources. The clearest manifestation of this policy was over Greece where Britain, since the liberation of the country, had maintained British troops to guarantee order and had extended financial aid involving millions. The British statement amounted to a declaration of inability to shoulder the responsibilities undertaken in Greece and a clear invitation to the United States to assume the burden. But Greece

is far from being the only instance. British influence in the whole of the Middle East is seriously jeopardised, despite Mr. Bevin's statement in May of this year that "Britain could not afford to lose her position in the Middle East since the Navy and shipping generally were dependent on the oil produced there."¹ The abortive treaty negotiations with Egypt, whether justified or not, appeared to represent a British withdrawal. At the time there was talk of an alternative base in Palestine but since then the Government has announced that the mandate in Palestine must be terminated since it imposes an intolerable strain on Britain and is a matter of genuine international concern. Other evidence all points the same way. In the Pacific Britain maintains only token forces and the United States virtually decides occupation policy in Japan. The repeated cuts in the armed forces and the recent decision to immobilise additional units of the fleet tell again of Britain's strained resources. The crucial issue is Germany. Britain could hardly relinquish her occupation zone and remain one of the major powers. So far the Government has shown no intention of doing so, but there have been repeated references to the burden of the German occupation and the vital necessity of discovering some means whereby that burden could be lightened.

In the context of declining solidarity amongst the major Allies, these trends are specially serious. The crucial factor is relations with the Soviet Union. With the United States there will, no doubt, be differences, amounting at times to clashes over matters of vital interest; but, whether fully resolved or not, there is scant danger of their leading to war. With the Soviet Union the element of doubt is larger; hence the importance attached to the treaty relationship, so notably absent in the case of the United States. What is most remarkable about current suspicion of Russian policy is the failure of the Soviet Government to consolidate the tremendous asset which undoubtedly existed in the west at the end of the war in the form of a fund of goodwill towards the Soviet Union. Certainly, in the case of Britain, the Labour Government's attitude was one of marked friendliness, amounting to an eager desire for co-operation in Europe and elsewhere.

The tactics of the Soviet Government appear rather to have been to attack the weaker of the two great democracies and issue challenges to the British position by whatever means possible. This led at first to bewilderment and then to irritation, bordering at times on anger. Yet, on the whole, the British outlook towards the Soviet has been characterized by a desire to understand the Russian atti-

1. *Chronology of International Events and Documents*; Vol. III, No. 11, p. 330.

tude, to make allowances for Russian suspicion of the west, in the knowledge that past treatment of the Soviet Union gave good ground for Russian caution, and to avoid scrupulously any policy which might imply a desire to exclude the Soviet Union from exercising a legitimate influence in international councils. Russian policy on the other hand has on specific issues hardly been of the kind to foster good will. The Russian press campaign, vilifying British policy as designed to ferment an anti-Soviet war coalition, the charges that Bevin had converted the Anglo-Soviet Treaty of Alliance into a dead letter, the refusal to support impartial investigation of incidents on the Greek frontier, the accusations about British conduct in the occupation zone in Germany, the singular Russian interpretation given to democracy in those areas within the Russian sphere of influence, the apparent expansionist tendencies of Russian policy—all these things have made working co-operation far more difficult than it need have been.

If relations with the Soviet have been the all important questions, Germany has been the crucial area. Owing to the vital importance of the German question, if agreement were possible, it had to be achieved on this issue. Again the results have been disappointing, though here as elsewhere Russian intransigence has stopped short of destruction of the machinery for future collaboration. Only on the more negative aspects of policy such as demilitarisation and denazification, has agreement proved possible and, even here, there have been sharp differences. The Potsdam agreement has been subjected to widely divergent interpretations. The Soviet's insistence upon reparations from current production and the refusal to treat Germany as a single economic unit again vastly complicated the problems of the occupying authorities. Britain, already anxious about the drain of the occupation, was forced to consider plans to make her zone self-supporting and readily accepted the United States proposal for a fusion of the two zones, despite the hostility of the Soviet spokesmen to such a move.

Gradually the United States has supplanted Britain as the chief object of Russian suspicion and the chief recipient of Soviet charges. Those in control of Russian policy may well have felt that, after the Socialist victory in Britain, that country represented the main obstacle to the Communist triumph in Europe, since there was always the possibility that a Socialist Government in Britain might rally the Socialist forces in Europe and so offer, in a way in which Right wing groups were incapable of doing, a real and progressive alternative to Communism. The United States is now regarded as the chief threat if only for the reason that it appears to be the sole nation capable of offering an effective and sustained

challenge to the Soviet Union. This heightening of tension between the United States and the Soviet places Britain in an unenviable position. If the testimony of experts means anything, it is clear that Britain under the new conditions of warfare is not only vulnerable but, indeed, incapable of being defended. Of all the Great Powers her interest in peace is, therefore, the most obvious and no British Government can envisage without dread the possibility of a clash between the Soviet Union and the United States. Britain certainly does not wish to make a choice between such possible antagonists, even at the stage where hostilities are confined to verbal recriminations, but the question remains whether Britain, if the tension is not relieved, as a major European and world power, will be able to escape from aligning herself on one side or the other.

It is this issue more than any other which has been responsible for division in the ranks of the Labour Party. Critics of Mr. Bevan's policy within the Labour movement are of two kinds²—a small militant left-wing group, who tend to judge all policy by the measuring rod of its accord with the interests of Soviet diplomacy, and a larger and less biased group who deplore what they regard as the essential similarity between Bevin's policy and that of his Conservative opponents. Above all, both groups are suspicious of American diplomacy³ which they regard as the servant of naked economic imperialism. Assuming that United States policy is dominated by an aggressively militant hostility to the Soviet Union, they are obsessed by the fear that United States aid to Britain and Europe implies also some domination of internal policy as well as adherence to an anti-Soviet bloc.

It is in this context that much of the discussions about a western bloc or a western association has taken place. In an able article in the *Political Quarterly*⁴ R. H. S. Crossman argues that to join a western bloc designed as a defence against possible Russian aggression would be to become a junior partner of the United States. In his view, it is in Britain's interest to oppose the creation of either a strategic Eastern or Western Bloc. Most people would agree about the desirability of such a policy if it can be achieved. But Crossmann believes that while a western bloc (having strategic implications) is dangerous, a western union is both possible and desirable. Such an association would permit the retention of western values and carry with it solid economic advantages, but the chief gain would be the formation of a large neutrality union determined

2. Cf. *The Contemporary Review*, July, 1947; ("The Russian Enigma," by M. Philips Price (M.P.).

3. This view was reflected in the pamphlet, *Keep Left*, issued by a group of labour members.

4. Issued May, 1947.

upon the avoidance of participation in any Russian-American struggle. Despite its attraction, such a proposal hardly accords with the realities of the international situation. Whatever protestations might be made, it is hardly likely that the Soviet Union would regard such a grouping as genuinely neutral, since the possibility of the transformation of a western association into a western bloc would remain. More important is the fact that neutrality is not easy to preserve. If Britain and her western European partners were so weak that neutrality was their sole refuge, it is highly unlikely that that neutrality would be respected if its infringement appeared to offer genuine advantage to either side. Finally, as recent trends have demonstrated, the very countries to participate in this independent neutrality union cannot maintain the stability of their economies without outside assistance, which can come only from the United States.

Is there any escape from a rigid division between antagonistic eastern and western blocs and, for Britain, any possibility of avoiding a choice between them? The Labour Party, judging from its pamphlet *Cards on the Table*⁵, still believed there was. Britain, cast in the role of mediator, would eschew appeasement to the Soviet, but make plain that the opportunity for Russian collaboration in European affairs was there if the Russians chose to take it. In the case of the United States, the task was to ensure continual American assistance for Europe but on the basis of an adequate self-effort by the European nations.

Yet there are limits to what Britain can do. Ultimately European and world co-operation depends upon the attitude of mind displayed by the Soviet Union and the United States in their relations with one another. In the main it is the Soviet leaders' attitude which will count, in the sense that, if they can overcome their profound suspicion of the west and decide upon genuine co-operation—and this will involve compromise—progressive collaboration should prove possible. The enigma of Russian policy is that the evidence points decisively to the conclusion that the Soviet Union has a vital interest in the preservation of peace. The need to restore the large scale devastation of the war, the task of expanding her industrial organisation and developing her vast internal resources, the necessity of increasing consumer goods—all these things, quite apart from the question of respite to a people long organised to a supreme effort, weigh heavily against the pursuit of an aggressive policy. Yet Russian actions in Europe and at international gatherings hardly contribute to good understanding. It may be that the

5. Issued May, 1947.

Russian leaders are the victims of their own suspicions, or that they cannot resist the temptation provided by a Europe in chaos and from which the great continental powers have disappeared, or that they postulate crisis conditions and ultimate breakdown in the major democracies.

These things may provide a partial explanation of the Russian attitude, but, if the Soviet Union's aim is peace, the policies designed to effect her security may be so ill conceived as to defeat their own ends. The intransigence of Russian delegates, the attitude that independence of view or dissent from the Russian attitude implies hostility to Russia, the war mongering charges, the refusal to co-operate in European economic rehabilitation, the establishment of the Communist Bureau—these do a disservice to peace and render any attempt at British middle of the road policy doubly difficult. The so-called Marshall plan is a crucial instance. Leon Blum, whose desire for co-operation with Russia can hardly be doubted, has shown conclusively that the proposals to furnish aid to Europe collectively carried no sinister implications of political discrimination and that the blame for the breakdown of the Paris negotiations rested squarely with the Soviet Union⁶. If M. Molotov, despite the evidence to the contrary, remained dissatisfied, he could have suggested methods to safeguard against abuse. Yet this he failed to do. The result may well be that the very western union, against which Russia has so repeatedly inveighed, may come into being—at least as an economic organisation—through the decision of the Russian Government to stand aside.

No one would dispute the immense difficulties in the way of a genuine accord between the three Great Powers, particularly in the absence of free interchange of information. Yet no nation wants war, no nation can gain from war and, in my view, no government of any important nation is intent upon pursuing a policy designed to lead to war. Britain and the United States would prefer, and have more to gain from, co-operation with the Soviet Union than from the continuance of friction. Britain, in particular, can ill afford to permit any trend likely to impose heavier commitments upon her. Her policy must be to convince the Russian leaders of the genuineness of the western democracies' desire to co-operate with her and to see that the nature of United States aid to Europe implies no threat to the legitimate interests of the Soviet Union. In the long run this might best be done by rallying the progressive centre and left forces in Europe to provide a genuine alternative to Communism other than the revival of rightist parties.

6. *The Nation*, July 19, 1947; Leon Blum: "The Soviets Say No."

Diplomats.

C. A. Sharp.

Judging from the papers, interest in diplomats has quickened greatly, both in Australia and New Zealand. This is not surprising when one remembers that diplomatic missions have been set up over the past few years, either in Canberra or in Wellington, by the United States, the Soviet Union, France, the Netherlands, China, Chile, Brazil, Denmark, and Norway. Nevertheless, despite this interest, it is obvious that the public is inclined to be confused about the various types of overseas government representatives—Ambassadors, Ministers, High Commissioners, Consul and Trade Commissioners—and about their duties, status, staffs and privileges. Nor is this surprising, as the honourable profession of diplomacy has had a long and intricate history, and much of its attributes are traditional. This article aims therefore to review the facts and so give an ordered account of diplomats and their ways.

Diplomats in International Relations.

When envoys were sent between countries in the sixteenth, seventeenth and eighteenth centuries, they did not have the quick means of travel and communications that exist to-day, and had therefore perforce to be given large powers of personal discretion in the matters on which they were to negotiate. Since, moreover, they were usually responsible only to an absolute monarch, they could and did use such powers with comparative freedom, for there was no need to consider the attitude of a democratic electorate. In those days, therefore, the envoy was a most important and powerful political figure, with wide powers, and of high rank and influence as the personal representative of his sovereign. It is only necessary to think of a Buckingham or a Mazarin to realise how policy was made and unmade by such men.

To-day, however, when the days of absolute monarchy are past, and when instructions from Governments can be secured overnight, the diplomatic envoy is primarily a channel of communication for and interpreter of his country's policy, which is in its turn determined by democratic processes. Inevitably, therefore, the influence of diplomats has declined as compared with former times, but since this is the result of the change from autocratic to democratic ways, no one need deprecate it—least of all the diplomats themselves, who

are spared involvement in the intrigues, suspicion and pomposity which disfigured the diplomacy of older days.

Nevertheless the diplomat of to-day may still have a potent influence on his country's policy in circumstances where his Government relies on his reports and recommendations for guidance. It is seldom that such reports are revealed to the outside world, and it is probable that, if they were, marked divergences would be found among diplomats in the daring, authority and persuasiveness of their reports and opinions. Some may even emulate the diplomat (referred to in Bruce Lockhart's "Memoirs of a British Agent") who, after receiving an official reprimand early in his career for what he thought was a particularly brilliant report, determined never to report on anything again, and steadily rose to be an ambassador. Nevertheless, there is no doubt that even under modern conditions the opinion of a diplomat has often been the determining factor in vital decisions affecting the lives of millions. No student of international affairs can therefore afford to overlook the importance of the ways and means of selecting and training the overseas representatives of the nations.

So complex and widespread have the relations of nations become, embracing trade and tariffs, migration, aviation, telecommunications, military liaison, and publicity, that it has become necessary both to have expert advisers as members of the staffs of diplomatic missions, and to send experts to assist the diplomats when matters of a technical nature are to be discussed. The Diplomatic Mission is therefore developing into a complex and many-headed organism, of which the Head of Mission and his deputies are often merely the formal spokesmen, speaking to a text which their experts prepare for them. Indeed, a further step has shown itself in this evolution towards specialised functioning, and it is becoming increasingly common for the formal diplomat to be an avenue of initial contact between his own country's experts and those of the country to which he is accredited, after which the real negotiation is done directly between them. This tendency is powerfully aided by the development of aviation, whereby direct exchanges of visits of this nature can be arranged at short notice.

These developments are achieving a silent revolution in the relations between the nations, for whereas only a few political and diplomatic representatives had the opportunity of meeting one another in former times, there are now few senior officers of Government departments dealing with matters affecting international relations who have not travelled either once or many times to negotiations with their opposite numbers in other countries. Indeed, this is not by any means confined to officials, for through the auspices

of their Governments it has become common for the representatives of labour and trade groups to participate personally in official visits overseas. Nothing could be better for the removal of prejudices based on ignorance, the revelation of the existence of real difficulties, and the promotion of international understanding.

High Commissioners, Consuls and Trade Commissioners.

Those who have read my first paragraph may wonder why I have not included the British Commonwealth countries in the list of countries which have diplomats in Canberra and Wellington, for they will know well that the United Kingdom, Canada and other British countries have high representatives there. But the truth of this matter is that High Commissioners and their staffs are not strictly diplomats. The reason for this is that a diplomat proper holds a document (diploma) or letters of credence or commission from the head of one State to the head of the State to which he is thus 'accredited'. In the ancient phraseology of diplomacy this instrument asks the head of the other State to give credence to the bearer as the fully empowered representative of his own State head, who in earlier days was usually a king or sovereign, but now of course includes republican heads of States. In the case of British High Commissioners, however, the Head of the State from which they come is also the Head of the State to which they go as representatives, namely, the King. The King cannot accredit to himself and High Commissioners therefore do not bear formal letters of credence, but are usually appointed by an exchange of advices between Governments, and rank in precedence below the diplomatic representatives of foreign countries.

There is another difference between diplomatic representatives proper and High Commissioners of British countries, and that is that all official approaches from one foreign country to another foreign country are traditionally conveyed through the diplomatic channel and not direct, whereas many matters arising between British countries are, as everybody knows, often arranged by direct messages between their Prime Ministers, Ministers of External Affairs, or Secretaries of State. Nevertheless, when the relatively minor nature of these differences is considered, they do not refute the substance of the obvious popular feeling that High Commissioners of British countries, which are now universally agreed to be autonomous or virtually independent countries, albeit, under one sovereign and with certain mutual affinities, have in fact become equated in status to the heads of diplomatic missions. To satisfy the sticklers, let us call them quasi-diplomats.

If High Commissioners are not strictly diplomats because they do

not represent foreign countries, what of Consuls, who do? The answer is that Consuls are not diplomats in the strict sense, either. They do not bear letters of credence, but receive from the head of the State which allows them access to its territory an instrument known as an *exequatur*, which is essentially a permit to reside there for the purpose of watching the interests of their own nationals who may reside or visit there. Their duties concern such matters as travel facilities, shipping clearances and certificates, personal legal matters such as marriage formalities, nationality data, aid to distressed nationals, etc. Their location is usually therefore in the ports and large cities, and not necessarily in the capitals, where diplomats are invariably located in virtue of the political nature of their duties. Furthermore, they are frequently not full-time consuls *de carrière*, i.e. career men who are sent from their own country, but may be local residents acting as agents.

Nevertheless, despite the traditional distinction, the gap between diplomats and consuls has narrowed very markedly over the years since the First World War. Whereas under the old regimes trade, shipping and travel were not to any great extent the concern either of statesmen or diplomats, the increased direct participation of modern states in these matters has made them highly political, and therefore brought the diplomatic organs firmly into their orbit. On the other hand, career consuls, who usually are located in different cities from the diplomats, tend to be sought after by local officials and residents for information on all sorts of matters outside the scope of their traditional duties. Therefore a number of countries have merged their diplomatic and consular organs under the control of the one parent department, the United States and the United Kingdom being notable examples. It is quite common now for an officer to pass from being a consul or a consul-general at one post to being a diplomatic representative at another, or vice versa, and also to hold consular and diplomatic appointments at the same time.

As High Commissioners between British countries are to Heads of foreign diplomatic missions, so on a broad analogy are Trade Commissioners between British countries to foreign consuls. Such Trade Commissioners are neither consuls nor diplomats, but like the former are usually located in ports and large cities whereas their High Commissioners are in the capitals, and specialise in trade, shipping and travel matters rather than political ones.

Heads of Diplomatic Missions.

There are two main ranks which the Heads of Diplomatic Missions may occupy, namely that of Ambassador, in which case the mission is known as an Embassy, and that of Minister, in which case

it is called a Legation. Occasionally the head of mission assumes the title of *Charge d'Affaires*, particularly when the exchange of ministers has either not been finalised or has been suspended. An instance of the latter has already occurred in Australia, the recent Chilean Minister having assumed the title of *Charge d'Affaires* on his arrival in Australia until the exchange of Ministers was formally agreed. When the Head of Mission has left the country either for a temporary absence or before his successor has arrived, the acting head (usually a member of the staff) takes the title of *Charge d'Affaires ad interim*.

While a Head of Mission may be a Minister, it by no means follows that a Minister is necessarily a Head of Mission, for in Embassies there are frequently one or more Ministers, ranking below the Ambassador who is the Head of Mission. Some comment was made in Australia when the Government announced the appointment of a Minister as well as an Ambassador in its Washington Mission, as if this were anomalous, but the United States and the United Kingdom, for instance, have maintained half a dozen or more Ministers in addition to their Ambassadors in each other's country.

Traditionally only the Great Powers exchanged Ambassadors, the lesser countries being represented by Ministers. In recent years, however, there has been a tendency for a levelling-up, which was openly endorsed by President Roosevelt, who raised a number of posts from Legations to Embassies. In accordance with this development, the United States and Australia recently agreed to raise their posts in each other's country from Legations to Embassies. Sometimes a diplomatic envoy is sent by one country to another on a special mission, returning when this is completed. In such a case he bears letters of credence establishing his powers for this purpose, and may be given the rank of Ambassador or Minister.

Staff Personnel.

In earlier times the members of the staff of the Head of Mission had little or no status in their own right, being regarded as his personal assistants or members of his household. In due course, however, foreign or diplomatic services were developed, the members of which might look forward to full-time careers in various diplomatic posts at home and overseas.

The highest rank of diplomatic staff, below that of Ambassador or Minister, is that of Counsellor, following below which are the ranks of First Secretary, Second Secretary and Third Secretary. It does not always seem to be known that the latter are ranks, so that there may be many Second Secretaries in the one Mission. All these ranks are recognised as diplomatic and are accorded certain privileges.

Many countries also have organised foreign service clerical and office workers' schemes. On a broad analogy, it might be said that the Ambassadors and Ministers are the Generals, the Counsellors the Colonels, the First Secretaries the Majors, the Second Secretaries the Captains, and the Third Secretaries the Lieutenants.

There are three main ranks below that of High Commissioner, namely Deputy High Commissioner, Official Secretary and Assistant Secretary, which correspond broadly to those of Diplomatic Counsellors and Secretaries. The majority of the British countries have combined their foreign and British overseas services under one Department. The distinction between foreign diplomatic staff and High Commissioners' staff in such cases is merely a matter of whether the country to which they are assigned is a British Commonwealth country or not. Nevertheless, when they are in a British country, they are not technically diplomats, for the same constitutional reasons as in the case of High Commissioners.

Precedence and Diplomatic Privilege.

Some of the thorniest international issues in history have revolved around so seemingly trivial a matter as whether the Ambassador of one country should be received before or after that of another. It is therefore now a universal convention that they shall take precedence, where they are of the same rank, according to their length of tenure in the post. Thus in Australia the Netherlands Minister was recently for some time the senior Head of Mission on the basis of length of tenure, being followed by the other Heads in their order judged on the same basis. But when the American Legation was raised to be an Embassy, the American Ambassador took precedence over Ministers on the basis of rank.

The British High Commissioners all rank below Heads of Foreign Missions, and by agreement between the British countries they rank among themselves in the order of certain agreed dates which are taken as marking their attainment to nationhood. The order is, the United Kingdom, Canada, Australia, New Zealand, South Africa, India and Eire, irrespective of length of tenure in the post. Moves have recently been reported for the revision of the present basis of precedence of High Commissioners.

The Heads of Foreign Missions and those members of their staffs who are recognised as of diplomatic rank are by international usage exempt from prosecution or civil suit in the country receiving them, unless their own country expressly waives this. But since in cases of misconduct their recall by their own country can be insisted on, with consequent disgrace and probable loss of career, diplomats are not under any great temptation to abuse this. It is an eloquent

tribute to the good behaviour of High Commissioners and their staffs that there has not yet been any test in the Courts of any British country as to whether they may be considered as having the same immunity as diplomats. It might be regarded as in conformity with the full nationhood of the British countries if they were.

Diplomats are also exempt from import duties on goods imported for their own use, as well as from income and other internal taxes in the country to which they are accredited. The same exemptions are also usually extended to High Commissioners and their senior staff, Consuls of career and Trade Commissioners. These privileges always sound somewhat spectacular to the local resident, but since practically all overseas representatives have to pay income tax to their own Governments, and since there are few articles which it pays to import specially for the sake of getting import duty exemption, they are more nominal than real. In the case of Australia and New Zealand diplomatic privilege extends mainly to cheapen motor cars, petrol and whiskey, which are in any case used mainly for their duties and official entertainment.

The Future of Diplomacy.

The Right of Legation, as the exchange of diplomatic representatives is described in international law, is the jealously guarded prerogative of sovereign nations. In many cases the right to exchange diplomatic representatives has been the main overt step marking attainment of full international sovereignty by the nation. The remarkable increase in diplomatic exchanges which has occurred since the commencement of the Nineteenth Century is, therefore, a mark of the emergence of many peoples from a situation of domination or tutelage by a foreign power to full nationhood. To those who believe that extreme nationalism, while a natural intermediate stage between imperialism and foreign hegemony on the one hand and true internationalism on the other, must be mitigated in the future, the question must inevitably arise as to how diplomacy as it has been known to date may be expected to evolve. The signs of a continuing healthy evolution may perhaps be seen in the facility with which diplomats who have been associated with their national units have transferred to work with international organisations, either as servants thereof, or as representatives from their own countries participating in their work. Indeed, this has opened up a new and interesting field for diplomacy, such that in the future it can confidently be expected that no diplomat who has not had some experience with international organisations will be regarded as fully equipped.

Book Reviews

THE EMERGENCE OF THE JEWISH PROBLEM, 1878-1939. By James Parkes. Issued under the auspices of the R.I.I.A., 1946. (London: Oxford University Press. pp. xxiv + 259.)

This work of Dr. Parkes, prominent historian of Jewish life, is published under the auspices of the R.I.I.A. It is an invaluable contribution to literature on the Jewish Problem for three main reasons: its comprehensive treatment, its concern for current issues, its impartiality.

The work falls into four parts:

Part One: The Palestine Mandate and the Jewish National Home.

Part Two: The Jews of Eastern Europe and the Minority Treaties.

Part Three: The Communist Solution.

Part Four: Modern Antisemitism as a political weapon.

The author indicates his purpose in his preface:

"Three problems have been chosen (for discussion) which will certainly need international planning and international action for their solution: Palestine; the Jewish minorities; and antisemitism as a political weapon. . . On these three subjects the world has to make a fresh start."

Concerning antisemitism as a modern weapon, Dr. Parkes goes on:

"It is included to show that it ought not to be included; i.e. that the battle against antisemitism in its modern form is not a real part of the Jewish problem, but an aspect of the general problem of protecting progressive democracy against the assaults of various forms of reaction."

If one were to try to indicate the most significant aspect of this work, one might say it lies in the attempt to bring these various topics (the last one excepted) into focus as aspects of one *total* Jewish problem. This is particularly important in its bearing on any specific proposals for the solution of that problem.

Such proposals must be viewed first in relation to Jewry's total needs, and secondly having regard to the practicability of other alternatives. In this connection we may cite the attitude the author comes to take towards the Palestine problem. In Part Two, he analyses the failure of the Minorities Treaties, secured under the Versailles Treaty and the League of Nations. Jewish minorities in Eastern Europe were to have gained, under these treaties, political rights, equality before the law, and some measure of social equality. In the cases of Roumania and Poland, which are discussed at length as typical examples, these hopes were not realised. Roumania is roundly criticised for lack of an honest attempt to implement the provisions of her Treaty. In Poland, however, particularly in the first Parliamentary period to 1926, some attempt was made to translate the terms of the Treaty into tangible features of social existence. Adverse economic and social conditions, together with lack of governmental wisdom (not merely ill-will), rendered these attempts abortive. In 1934, reflecting the growing forces of antisemitism and Chauvinism in the country, the Pilsudski regime unilaterally repudiated supervision by the League of Nations of the Polish Minorities Treaty.

Commenting on these developments, Dr. Parkes is inclined to accord to both Poles and Jews the charitable verdict '*humanum est errare*'. But he deplores the

fact that the Minorities Treaties were, from the start, dictated to both Poland and Roumania *from without*. This, he believes, contributed to their failure: any future attempts must be made on the basis of a structure worked out *from within* any country, through the mutual co-operation of the parties concerned. The matter, however, does not rest there. Its furthest conclusions lie in Dr. Parkes' Epilogue: "The Future." There the author concentrates his attention on the two problems "which clamour already for courageous solution": the future of European Jewry and the future of Palestine.

Beginning with Europe, he observes that there remain less than one and a half million Jews in all Europe. It is useless to try to re-create in some surer form the minority existence envisaged in the Versailles settlement. Dr. Parkes also observes that the economic abnormality which contributed to the failure of that solution no longer exists; for to-day European Jewry has no economic foundations whatever. He does not pursue the consequences of this statement, and to some readers these may be important in light of political changes in S.E. Europe since hostilities ceased. This is no oversight, however. The fact is that Dr. Parkes's manuscript was completed in 1942 but war-time delays held up its publication. He therefore goes on to discuss the only two possibilities that appear to remain in Europe, namely, Individual Infiltration, and Group Settlement. Both are considered inadequate, and the author concludes on this note:

"It is difficult to avoid the conclusion that the only satisfactory solution from the Jewish point of view is one that makes it possible for those who desire it to go to Palestine. To enter, in this place, the controversy about the relative rights of Jews and Arabs, the relative responsibility of Jews and British, would be inappropriate. . . But this it is possible to say. So far as the Jews and Jewish needs are concerned, the argument in favour of allowing them room to develop, and the complete control of their own future, is overwhelming. Were the country otherwise empty, nobody would question it. But the country is not empty, and the resulting conflict of interest is one that will need the most serious attention, and the most courageous and generous action of the peacemakers. I do not believe it can be settled by a balancing of legal rights and promises. A new standard of judgment is required—and that is not in this question only. If the twentieth century is to become the century of the common man, I suggest that the new basis is *the practical basis of need.*" (Italics ours).

One hesitates to select other aspects of this work for comment, from the abundance of material. However, with Palestine again prominent in international news, it may be apposite to mention Dr. Parkes' conclusions as to the crux of the conflict between Jews, Arabs and the British. Here again, the author displays sympathy and impartiality. Jew and Arab, he believes, each consistently worked on the strength of British promises made throughout the 1914-1918 war without knowing of the promises that had been made to the other side. These undertakings, moreover, were incompatible—Dr. Parkes's opinion is definite on the point—and the blame for this state of affairs lies primarily at the door of the British Government. In working to these conclusions, the author surveys the normal field of evidence—the McMahon Correspondence, Sykes Picot Agreement, Balfour Declaration, etc. Jewish readers will do well, I feel, to note his re-statement of the Arab case, which turns on Arab interpretation of the McMahon Correspondence with Husayn, Sheriff of Mecca, commencing July 14th, 1915. In these exchanges the British Government agreed to support Arab demands for independence over wide territories, with certain exceptions. British spokesmen have claimed that these

included Palestine. Arab sources have denied it. The British interpretation was expressed by Mr. Winston Churchill, as Secretary of State for Colonies in 1922. Commenting on this, Dr. Parkes says:

"A glance at the map will convince anyone that it is not surprising that Arabs have always regarded this extraordinary geographical tour de force with amazement and contempt; and, in fact, the British members of the Anglo-Arab Committee (1939)... had to admit that 'the Arab contentions... have greater force than has appeared hitherto,' and further, while they still asserted that Palestine was excluded from the area claimed from the Sheriff, that 'the language in which its exclusion was expressed was not so specific and unmistakable as it was thought to be at the time'."

Parts Three and Four, dealing respectively with the Soviet solution and modern antisemitism contain much valuable and up-to-date information. It is interesting to note that, despite Stalin's attitude as it was expressed in "Marxism and the National Question" (1913), wherein he denied the claim of the Jews to the title "Nation," the Soviet solution includes raising the Biro Bidjan region in 1934 to the status of an autonomous Jewish Territory. It elects its 5 members in accordance with the Soviet Constitution to the Council (now Soviet) of Nationalities of the Supreme Soviet... In the antisemitism of the 19th century and early 20th century, Dr. Parkes detects the predominant influence of clerical and conservative forces... Nazi policy was not merely a matter of scapegoat tactics; it was a deliberate rallying point for all shades of opinion in the community, a technique of international disruption, and also a consequence of Hitler's own paranoid Jew-hatred.

One further aspect of the book must be mentioned. The chapters on Roumania constitute a first attempt, as far as I can determine, at an impartial study of Jewish development in this country in the 19th and 20th centuries. They are a most welcome addition to available material.

The book concludes with a series of very useful appendices, a lengthy bibliography and a detailed index.

—Paul Freedman.

DEMOCRACY IN FRANCE : THE THIRD REPUBLIC. By David Thomson. Issued under the auspices of the R.I.I.A., 1946. (London: Oxford University Press. pp. 283).

During the last ten years there has been a steady stream of books on the Third Republic. Most of them have been written to convince the reader that the author knew the reason for the decline of France. Of course they did not agree on a common cause. Some said it was caused by corruption, some by the army, some by class war, some by the defects in the constitution, some by the French marriage customs, and some by alcohol. Mr. Thomson's book is the latest addition to this stream. He is perhaps too steeped in the traditions of English historical scholarship to urge one reason. Or rather, like Mallarmé, he appears to "have read all the books," and takes pride in not accepting one explanation. His work covers the period from 1870 to 1945, and his method is to discuss first the movements and groups who created the history of the Third Republic—the revolutionary tradition, the peasants, industrial workers, middle classes, the church, the army, the civil service. In the second half he describes the important events from the Franco-Prussian war to the creation of the Fourth Republic.

Mr. Thomson has read widely. His foot-notes and bibliography provide ample

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evidence of his familiarity with the material. Yet the work is rather disappointing. Despite his learning, and his obvious affection for his subject, he just has nothing to add either to our knowledge or our interpretation of the period. In addition there are distinct weaknesses. The style lacks that grace and polish which we have come to expect from the English intellectuals. It is turgid, clumsy, striving for the neat phrase, the bon mot which does not come off. Take this sentence: "The Republic of M. Thiers . . . was thus the most conditional, provisional, and utilitarian of regimes." Perhaps Mr. Thomson has not read "The Tyranny of Words" by Stuart Chase.

Then again Mr. Thomson nurses two illusions which blur his understanding of what was happening in France. He seems to suggest that one of the troubles was the failure of the French to use British institutions—or rather that they had not the ability to make proper use of them. And this rather public school belief that political institutions have a use outside the society they were created to serve lives in his mind side by side with the other illusion about the French: that they are a logical people. "To identify nationalism," says Mr. Thomson, "with rationalism is characteristically French." These two illusions have quaint effects on his attitude to his subject. At times he looks down from the Olympian heights on their political struggles: at others he fawns, and flatters.

There is one rather odd defect in his knowledge. He makes no reference to the attempts by the German governments from 1875 to 1914, and from 1933 to 1939 to aggravate the class struggle in France in order to weaken her as a European power. The evidence of this was given in a work by H. Franck, *Nationalismus und Demokratie im Frankreich der dritten Republik*—a work written by a Nazi who had access to the papers of the German Foreign Office. Perhaps a greater acquaintance with German material would have made him more suspicious of the French estimate of themselves, and helped him to see the French defeat as part of a wider theme. Certainly the one thing lacking for a definitive work on France in English has been the failure to use German sources. All that Mr. Thomson has done has been to put together what we already knew in a rather cumbersome way. The definitive work has still to be written, and I doubt whether it will come from the pen of scholars who love the older Universities and France. They are too attached to the society they describe.

—C. M. H. Clark.

INTERNATIONAL IMPLICATIONS OF FULL EMPLOYMENT. A. G. B. Fisher, 1946. (Royal Institute of International Affairs, pp. viii + 202.)

This volume is concerned with the important problem of the extent to which the maintenance of full employment at home is compatible with adherence to an "open" or "multilateral" international trading system. Adherence to such a system might expose a country to the infection of depressions that originated elsewhere, notably in the United States, and might deprive it of what protection exchange control and import control could otherwise have provided. Professor Fisher discusses the problem from the special standpoint of Great Britain, for whom the question is one of whether she can honour commitments already accepted, particularly under the Anglo-American Financial Agreement of December, 1945. For Australia the problem is rather one of how far she should go in accepting international commitments; but in spite of this formal difference the basic issues are the same for both countries, and Professor Fisher's book has, therefore, almost as much relevance to the problems of Australia as to those of Great Britain.

Professor Fisher commences his study by devoting two chapters to an exam-

ination of the meaning of "full employment" and the methods by which it may be attained. These chapters deserve the attention of the professional economist as much as that of the general reader. The author has little difficulty in exposing the arbitrary basis of quantitative estimates of the irreducible minimum of unemployment such as have been made for England by Lord Beveridge and for Australia by Dr. Coombs. Professor Fisher regards full employment as a political rather than a statistical concept. "It may be surmised, without undue cynicism, that any Government . . . will, in practice, probably be content if it succeeds in avoiding that level of unemployment . . . which there is good reason to fear may provoke an inconvenient restlessness among the electorate." (p. 19.) As might be expected from his earlier writings, Professor Fisher emphasises strongly the possibility that the maintenance of full employment may provide no stimulus to mobility and may indeed actually remove the normal incentives to mobility by assuring people of something akin to "universal civil service conditions of employment." For this reason, if for no other, full employment may not be attainable without a fall in real wages and the acceptance of a lower standard of living, a danger which the current use of global estimates of national income tends to obscure.

In the next two chapters Professor Fisher proceeds to elucidate the nature of an "open" economic system, particularly as exemplified in the 19th century. He discovers its essential characteristics not so much in the free convertibility of currencies, as in the relative absence of trade barriers, which ensured that the low cost producer got the business, and also in the willingness of each country to adapt its economic structure to changes in world conditions. In the inter-war period countries became less willing to make such adaptations and more anxious to protect particular groups of their citizens from unemployment, and they therefore increasingly resorted to the imposition of trade barriers, quota regulations and exchange controls. In the special case of Britain wartime necessities were responsible for the abandonment of free convertibility between sterling and the dollar. Professor Fisher urges that the immediate difficulties in the way of an early resumption of convertibility should not be allowed to obscure the ultimate advantages of an "open" system in extending the international division of labour. The failure of the recent attempt to restore convertibility emphasises the magnitude of the difficulties, but it also renders Professor Fisher's plea even more timely than when he wrote.

Having thus examined the nature of both full employment and an "open" international trading system, Professor Fisher comes to his main task of considering their compatibility. He freely admits that adherence to an "open" system might expose a country to cyclical fluctuations originating abroad unless other countries, and particularly the United States, pursue a policy of full, or at least stable, employment. Professor Fisher does not regard an international agreement to maintain full employment as feasible or likely to be effective, and he devotes several pages to a discussion of the Australian proposal for such an agreement as submitted to the International Labour Office at Philadelphia in April, 1944 (pages 112-118). Under these circumstances it will be necessary "to rely upon a number of rather loosely related measures of varied content, involving varied degrees of formal obligations and almost certainly leaving some awkward gaps." The chief of these measures is the Bretton Woods Agreement, which is discussed on pages 136-146, and which Professor Fisher considers will not only enable countries to meet temporary balance of payments difficulties, but will also provide an assurance against the competitive depreciation of currencies. In addition, the United States Employment Act of February, 1946, is regarded as

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"notable," and the author is also hopeful that the various discussions concerning the future of international trade will result in a reduction in the United States tariff and the emergence of an import surplus in that country. "We certainly do ourselves no good and may conceivably do much harm by in effect telling the Americans beforehand that we have no confidence in either their capacity or their willingness to grapple with either of these issues." (p. 189.)

Professor Fisher's basic position seems to be that the advantages of an "open" trading system are so overwhelming as to outweigh any risks involved in attempting to achieve it. To reject an "open" trading system would be to deprive ourselves of the still real advantages of the international division of labour and to condemn ourselves to a lower standard of living. In any case, no country can effectively insulate itself against outside influences by such double-edged weapons as currency depreciation, export subsidies and import controls, or even by joining other countries in establishing a regional trading bloc, were that possible in the face of American opposition.

The book concludes with two notes added by members of the anonymous Chatham Group, with whom, we are told, the drafts of each chapter were discussed. The first expresses some doubt whether Professor Fisher has distinguished clearly enough between "structural unemployment and unemployment due to a deficiency of effective demand." The second suggests the desirability of a planned as distinct from an unplanned expansion of international trade. A third criticism that suggests itself is that this book is too difficult reading to exert the influence that it deserves. This is partly because of the author's somewhat involved literary style and partly because of the abstract plane on which the argument is conducted. One cannot help feeling that a quantitative rather than a dialectical treatment of some topics would have been more effective. Nevertheless, those who are prepared to work through it will find themselves well repaid. In spite of his sincere attachment to certain theories that are no longer popular, Professor Fisher is not lacking in political shrewdness, and his book contains much sound sense.

—Wilfred Prest.

THE FUTURE OF AUSTRALIAN FEDERALISM. By Dr. Gordon Greenwood. 1946. (Melbourne University Press, pp. ix+323).

The results of careful historical research concerning several important topics of Australian constitutional history are embodied in this book. For use as a compendious form of historical information concerning these topics, it should be in the library of every person either in Australia or overseas who is interested in Australian constitutional history.

One chapter, of 28 pages, is devoted to the history of the Federation Movement in Australia in the closing decades of the nineteenth century. Of the book's remaining 281 pages of text, 242 are devoted to the history of the federal system in Australia between 1901 and 1944. The greatest merit of the book is to be found in 163 of these pages, those in which Dr. Greenwood expounds with lucidity and weighs with care the significance of many important constitutional happenings in Australia between 1901 and 1939. Despite its title, it is as a history, rather than as a prophecy or an homily, that the book has value. In the 163 pages of Chapters 3 to 5 is to be found probably the best collection of short simple accounts yet published as to the history of such topics as: the financial relations of the Commonwealth and the States (pp. 71-99) and, in particular, the work of the Commonwealth Grants Commission (pp. 160-213); the respective activities of Commonwealth and States in the regulation of the

industrial relations of employers and employees (pp. 113-131); the effect that Section 92 of the Commonwealth Constitution has had upon the respective legislative attempts of Commonwealth and States to regulate trade and commerce by means of marketing schemes and in other ways (pp. 132-157); and the various referendums that have been held concerning proposed constitutional amendments (pp. 100-105). The introductory chapter discusses the nature of federalism, but contributes nothing new. It is in Professor K. C. Wheare's *Federal Government* published in the same year as Dr. Greenwood's book, that there is to be found the most outstanding contribution yet made by any political scientist to our knowledge of the essential nature and qualitative value of Australia's federal system. In certain parts of his book, notably in his last chapter (that on "The Future of Federalism in Australia", and to some extent in his second last chapter (in which he discusses constitutional events during the period of the Second World War), Dr. Greenwood steps out of the sphere of constitutional history, in which he has claims to rank as a considerable expert, and descends into the arena of political propaganda.

Few, if any, persons will disagree with his view that the financial resources of the States are not adequate for the completely effective exercise by the States of their constitutional powers; or that the Commonwealth's financial resources are sufficient not only to meet its own commitments but also to subsidise the States, the Commonwealth being able by means of such subsidies to bring pressure upon particular States by insisting that its grants are conditional upon the particular States doing as the Commonwealth wishes. This leads Dr. Greenwood to the conclusion that the States are almost defenceless against the Commonwealth, and that therefore the Commonwealth's preponderant powers should be converted into totalitarian powers. This is clearly a *non-sequitur*. Many Australians, although thankful for the author's historical analysis in Chapters 2 to 5, would nevertheless come to a different conclusion than his on the question of political policy. Some would think that the Commonwealth Constitution should be amended to buttress the States by strengthening the federal elements in the Constitution. There are some who would retain the *status quo*, not desiring an increase in the strength of the States but not supporting unification. Neither of these categories of Australians would agree with Dr. Greenwood's view that there should be a "mercy killing" of the States in the States' own best interests.

Might I commend to the earnest consideration of Dr. Greenwood himself, and to all readers of his book, the following extract from the pen of that giant of democratic statesmanship, Sir Robert Garran, which appeared in the *Australian Quarterly* in September, 1932:

"I think that there is a general opinion that there should be some extension of federal power, coupled with disinclination to vote for a wholesale change. The people of Australia have never yet had put before them, at a referendum, the direct question of unification. It is my belief, based on the history of previous referendums, that if it were put before them they would reject it. But if it were put before them, whether they accepted it or rejected it, I think that we need feel no apprehension at the result. It is a case where the proof of the pudding is in the eating. If unification is palatable to the people, well and good—there is no longer any necessity for the complexities of federalism. If it is not palatable, then federalism is a necessity."

—T. P. Fry.

Institute Notes

New South Wales Branch.

Recent activities of the branch include the formation of a Group in Armidale. There are now about 30 members of the Group. Visiting speakers have addressed several meetings. It is hoped to form similar groups in other districts of the State.

An increasing number of University students find that associate membership of the Branch gives them access to material of great assistance in their work, and not readily available elsewhere. The Branch Council is considering the formation of a special Group to meet the requirements of students.

The Meetings Committee has arranged an average of two meetings per month, at which addresses on various aspects of international affairs have been given by visiting and local authorities on these subjects. The Reading and Discussion Group continues to meet monthly. Discussions are led by Group members. Membership of the Group is open to all Branch members who are willing to contribute to the discussions, and to a certain number of non-British subjects who have a special interest in international affairs.

Victorian Branch.

The membership of the Branch now stands at 198, including associate members. The new category of associate membership was created towards the end of the last financial year.

Recent meetings of the branch have been: *Foreign Policy and the Federal Parliament*, Harold Holt, M.H.R.; *The Potsdam Conference*, Professor Joseph Burke; *U.S. Policy in the Far East*, Professor Werner Levi; *The Security Council*, Paul Hasluck; *From Pole to Pole*, Rt. Hon. Brooke Claxton, Canadian Minister of National Defence; *Present Day Argentina*, Mr. Donald Mackinnon.

Miss Leslie Henderson has practically completed the recataloguing of the library. Members may use the library as a reading room at any time during the day and may borrow books and periodicals. Monthly accession lists, with articles in periodicals listed under subject headings, are sent to all branch members.

Canberra Branch.

Recent meetings of the Branch included addresses by Lord Nathan on *The Policy and Organisation of British Civil Aviation*; Paul Hasluck on *The Security Council*; Dr. Oesman and M. van der Laan on *Netherlands East Indies*.

Membership is now 41, including associate members. The Branch has suffered a loss in the resignation of its honorary secretary, A. Malcolm Morris, who has been transferred to Washington. Mr. H. Marshall has been appointed honorary secretary in his place. Mr. T. Inglos Moore is President of the Branch.

Western Australian Branch.

The Branch was formed in June last and commenced its activities with a meet-

ing addressed by Mr. Whitney H. Shepardson of the Carnegie Corporation of New York. The Branch has since met to hear Dr. E. von Hofmannsthal on *The Danube and the Dardanelles*, and Mr. Paul Hasluck on *The Prospects of the United Nations*. It is hoped to form a study group in the branch in the near future.

The President of the Branch is the Hon. Ross McDonald, M.L.A., and the Secretary is Mr. J. D. Legge.

Tasmanian Branch.

The Branch commenced activities in June with a meeting addressed by Mr. Whitney H. Shepardson of the Carnegie Corporation of New York, and a member of the Council on Foreign Relations. Subsequent meetings have been addressed by Mr. A. D. Azhar, diplomatic representative for Pakistan, and Dr. E. von Hofmannsthal, who spoke on *Political and Economic Changes in Latin America*. Arrangements are being made to organise groups to study Pacific Affairs, the Arab World and Europe, as well as a group to read periodicals and issue a summary to members.

The President of the Branch is the Hon. Sir John Morris and the Secretary Mr. D. van Abbé.

South Australian Branch.

Mr. Shepardson met members of the South Australian Branch shortly after its formation and his advice and experience were of great assistance to the Branch in the initial stages. Two discussion meetings have been held—one on *Mr. Marshall's Policy for Reconstruction in Europe*, an address delivered at Chatham House by Sir Arthur Salter, and a second meeting on the *Occupation of Germany* which was addressed by Lt. Col. Sandford, who was with the occupation forces for a year.

The Branch has about 30 members. The President is Mr. Noel Adams, the Treasurer Mr. H. Lovat Fraser, and the Hon. Secretary, Mr. John Preece.

Queensland Branch.

Recent meetings of the Branch have been *East Asia and Australia*, George Caiger; *Background to Pakistan*, A. D. Azhar; *The Security Council*, Paul Hasluck; *Political and Economic Changes in Latin America*, Dr. E. von Hofmannsthal; *Outstanding Japanese and Allied Personalities in Occupied Japan*, Hon. Mr. Justice A. J. Mansfield; *The Dominion of India*, Sir R. Paranjpye; *The Plight of Great Britain and Plans for the Future*, Rt. Hon. Lord Nathan.

The membership of the branch is now about 90. The Committee is proceeding with its plans for expanding the activities of the Branch to their pre-war scale. The President of the Branch is Dr. T. P. Fry, the Honorary Secretary, Mr. E. W. Heindorff and Treasurer, Mr. K. M. Shaw.

